

BEFORE THE
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

IN THE MATTER OF THE:)
)
REGULAR BUSINESS MEETING)

DATE AND TIME: THURSDAY, MARCH 25 1998
 9:30 A.M.

PLACE: BOARD HEARING ROOM
 8800 CAL CENTER DRIVE
 SACRAMENTO, CALIFORNIA

REPORTER: BETH C. DRAIN, RPR, CSR
 CERTIFICATE NO. 7152

BRS FILE NO.: 44055



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APPEARANCES

MR. DANIEL G. PENNINGTON, CHAIRMAN
MR. ROBERT C. FRAZEE, VICE CHAIRMAN
MR. JOHN AMODIO, MEMBER
MR. WESLEY CHESBRO, MEMBER
MR. DAN EATON, MEMBER
MR. STEVEN R. JONES, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER
MR. KEITH SMITH, DEPUTY EXECUTIVE DIRECTOR
MS. KATHRYN TOBIAS, CHIEF LEGAL COUNSEL
MS. MARLENE KELLY, BOARD SECRETARY
MS. PATTI BERTRAM, ADMINISTRATIVE ASSISTANT



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1 SACRAMENTO, CALIFORNIA; WEDNESDAY, MARCH 25, 1998

2 9:30 A.M.

3

4 CHAIRMAN PENNINGTON: GOOD MORNING. AND

5 WELCOME TO THE MARCH MEETING OF THE CALIFORNIA

6 INTEGRATED WASTE MANAGEMENT BOARD. AS YOU CAN SEE, THE

7 BOARD ONCE AGAIN HAS A FULL COMPLEMENT OF BOARD

8 MEMBERS. I'D LIKE TO WELCOME OUR NEWEST MEMBER, MR.

9 JOHN AMODIO. MR. AMODIO WAS APPOINTED BY THE GOVERNOR

10 TO FILL THE ENVIRONMENTAL REPRESENTATION SLOT LEFT

11 VACANT BY FORMER BOARD MEMBER PAUL RELIS.

12 MR. AMODIO COMES TO THE BOARD WITH

13 EXTENSIVE EXPERIENCE IN BOTH THE ENVIRONMENTAL FIELD

14 AND WITH THE STATE GOVERNMENT. HE STARTED HIS CAREER

15 IN MR. CHESBRO'S OLD STOMPING GROUNDS AT THE NORTH

16 COAST ENVIRONMENTAL CENTER AND WENT ON TO BE THE

17 NORTHERN CALIFORNIA REPRESENTATIVE FOR THE SIERRA

18 CLUB. MR. AMODIO'S EXPERIENCE AND HIS MEMBERSHIP IN

19 ENVIRONMENTAL ORGANIZATIONS IS VERY IMPRESSIVE; AND,

20 THEREFORE, HE WILL REPRESENT THE ENVIRONMENTAL MOVEMENT

21 VERY WELL ON THIS BOARD.

22 I KNOW THAT MY FELLOW COLLEAGUES, AS WELL

23 AS THE STAFF OF THE ENTIRE BOARD, WELCOME YOU AND LOOK

24 FORWARD TO WORKING WITH YOU, JOHN.

25 BOARD MEMBER AMODIO: THANK YOU, MR.



1 CHAIRMAN. I AM VERY HAPPY TO BE HERE AND HONORED TO BE
2 ABLE TO REPRESENT THE ENVIRONMENTAL PERSPECTIVE ON THE
3 BOARD. THIS, AS YOU POINTED OUT, WAS AN ISSUE THAT I
4 RATHER FIRST CUT MY TEETH ON AS FAR AS BEING AN
5 ENVIRONMENTALIST, AND IT'S ONE THAT WESLEY WILL
6 REMEMBER WAS ONE OF THE MOVING ISSUES OF THAT EXCITING
7 PERIOD IN THE ENVIRONMENTAL MOVEMENT. I SUBSEQUENTLY
8 HAVE WORKED IN A LOT OF OTHER AREAS, BUT HAVE ALWAYS - -
9 IN THE ENVIRONMENTAL FIELD, BUT HAVE ALWAYS RETAINED A
10 VERY KEEN INTEREST AND PERSONAL CONCERN FOR THIS VERY
11 IMPORTANT AND, AS I'M ALREADY LEARNING AFTER ONE DAY
12 HERE, VERY COMPLEX SET OF RESPONSIBILITIES AND
13 CHALLENGES.
14 LET ME ONLY NOTE THAT IT'S NOT ONLY THE
15 ISSUE THAT I FIND ATTRACTIVE, BUT THERE IS A REPUTATION
16 OF THIS BOARD AND STAFF OF BEING IN A -- PROFESSIONAL
17 AND WORKING HARD AND IN A COMMITTED WAY. I'VE ALREADY
18 HAD CLEAR INDICATIONS OF THAT WITH SOME OF MY BRIEFINGS
19 YESTERDAY.
20 AND I CAN LASTLY SAY ON THIS POINT THAT,
21 HAVING HEARD THAT THE VARIOUS CONCERNED PUBLIC
22 INTERESTS AND INDUSTRIES HAVE - - HAVING THEIR
23 DIFFERENCES ON ISSUES, HAVE BEEN SUPPORTIVE AND - - OF
24 THE MISSION OF THE BOARD MAKES A BIG DIFFERENCE. AND
25 HAVING BEEN HERE BUT ONE DAY, MR. CHAIRMAN, I AM NOT



1 ADEQUATELY INFORMED ON THE MATTERS BEFORE THE BOARD, SO
2 I WILL BE ABSTAINING ON ALL VOTES TODAY. BUT KNOW THAT
3 IT WILL BE PART OF MY RATHER STEEP EDUCATION CURVE HERE
4 AND LOOK FORWARD TO LISTENING AND PERHAPS PARTICIPATING
5 IN THE DIALOGUE, BUT NOT IN THE VOTES TODAY. THANKS,
6 MR. CHAIRMAN.

7 CHAIRMAN PENNINGTON: THANK YOU. WE'LL GIVE
8 YOU ONE BOARD MEETING GRACE PERIOD, BUT WE'LL PUT YOUR
9 FEET TO THE FIRE NEXT MONTH.

10 BOARD MEMBER AMODIO: I'LL BE READY.

11 CHAIRMAN PENNINGTON: WOULD THE SECRETARY CALL
12 THE ROLL, PLEASE.

13 THE SECRETARY: BOARD MEMBER AMODIO.

14 BOARD MEMBER AMODIO: PRESENT.

15 THE SECRETARY: CHESBRO.

16 BOARD MEMBER CHESBRO: PRESENT.

17 THE SECRETARY: EATON.

18 BOARD MEMBER EATON: PRESENT.

19 THE SECRETARY: FRAZEE.

20 BOARD MEMBER FRAZEE: HERE.

21 THE SECRETARY: JONES.

22 BOARD MEMBER JONES: HERE.

23 THE SECRETARY: CHAIRMAN PENNINGTON.

24 CHAIRMAN PENNINGTON: HERE.

25 BOARD MEMBER CHESBRO: MR. CHAIRMAN.



1 CHAIRMAN PENNINGTON: MR. CHESBRO, IT'S NICE
2 THAT YOU DON'T HAVE TO BE THE FIRST ONE.
3 BOARD MEMBER CHESBRO: I FINALLY GOT MY WISH.
4 SOMEBODY ELSE GETS TO VOTE BEFORE I DO.
5 BOARD MEMBER AMODIO: NOT TODAY.
6 BOARD MEMBER CHESBRO: ASSUMING THAT WE'RE ALL
7 STILL HERE NEXT MONTH, YOU KNOW, I THINK I'LL HAVE THAT
8 OPPORTUNITY.
9 CHAIRMAN PENNINGTON: WELL, WE HAVE A QUORUM
10 PRESENT. DO ANY MEMBERS HAVE ANY EX PARTE
11 COMMUNICATIONS? I'LL START WITH MR. EATON.
12 BOARD MEMBER EATON: YES, I DO. I HAVE THREE.
13 I HAVE A LETTER FROM DAVID GODFRIED REGARDING MARKETS
14 AND GREEN MATERIALS; ALSO A LETTER FROM JUDY MICHAELS,
15 VENTURA BOARD OF SUPERVISORS, REGARDING THE COUNTY'S
16 WASTE MANAGEMENT PLAN; AS WELL AS A LETTER, LAST BUT
17 NOT LEAST, REGARDING TIRES FROM MR. CARL ADKINSON DATED
18 MARCH 17, 1998.
19 AND I'D JUST ALSO LIKE TO WELCOME JOHN TO
20 THE BOARD AND THANK HIM FOR ALLOWING ME TO BE A SENIOR
21 MEMBER SO QUICKLY AND FOR GIVING WESLEY HIS WISH, BUT
22 ALSO TO LET HIM KNOW THAT I WAS IN THE SAME POSITION
23 LAST MONTH. AND YOU WILL FIND THAT BOTH THE BOARD AND
24 THE BOARD STAFF, AS WELL AS ALL THE OTHER INDIVIDUALS,
25 DO ONE HELL OF A JOB GETTING YOU UP TO SPEED VERY



1 QUICKLY ON WHATEVER AND I'M MOST APPRECIATIVE, AND I'M

2 SURE YOU WILL BE TOO AS WELL.

3 BOARD MEMBER AMODIO: THANK YOU.

4 CHAIRMAN PENNINGTON: MR. JONES.

5 BOARD MEMBER JONES: ALL MINE ARE UP TO DATE.

6 AND I TOO WISH TO WELCOME MR. AMODIO TO THE BOARD. I

7 THINK IT WILL BE A GOOD -- IT'S NICE TO HAVE ALL SIX

8 SEATS FILLED.

9 CHAIRMAN PENNINGTON: MR. FRAZEE.

10 BOARD MEMBER FRAZEE: YES. MINE ARE ALL

11 PUBLISHED IN THE RECORD.

12 CHAIRMAN PENNINGTON: MR. CHESBRO.

13 BOARD MEMBER CHESBRO: MR. CHAIRMAN, I HAVE

14 THREE THAT RELATE TO ITEMS ON THE AGENDA TODAY:

15 LETTERS FROM CARL ADKINSON OF WHEELS ETC. REGARDING

16 ITEM 28; GEORGE MYER, THE DEL NORTE SOLID WASTE

17 MANAGEMENT AUTHORITY, REGARDING ITEM 17; WILLIAM

18 O'GRADY OF TALCO REGARDING ITEM 21; AND I HAVE A NUMBER

19 OF OTHERS HERE THAT AREN'T SPECIFIC TO TODAY'S AGENDA

20 ITEMS. I'LL SUBMIT THE LIST TO THE CLERK.

21 CHAIRMAN PENNINGTON: OKAY. VERY GOOD. MR.

22 AMODIO.

23 BOARD MEMBER AMODIO: NONE.

24 CHAIRMAN PENNINGTON: OKAY.

25 NOW, LET ME JUST REMIND EVERYBODY THAT IF



1 You WISH TO ADDRESS THE BOARD ON ANY AGENDA ITEM, THERE
2 ARE SPEAKER SLIPS IN THE BACK OF THE ROOM. IF You WILL
3 FILL ONE OUT, GET IT TO MS. KELLY HERE, SHE WILL MAKE
4 SURE THAT WE ARE AWARE OF YOUR INTEREST TO SPEAK ON AN
5 AGENDA ITEM.
6 ITEMS 9(B), 19, 27, AND 32 HAVE BEEN
7 PULLED FROM TODAY'S AGENDA. WE -- AS WE HAVE A NEW
8 COMPOSITION OF BOARD MEMBERS, ITEM 7 WILL BE PULLED
9 FROM THE CONSENT CALENDAR TO BE DISCUSSED DURING
10 MEETING TODAY, AND ITEM 24 WILL BE HEARD FOLLOWING ITEM
11 4 TO ACCOMMODATE OUT-OF-STATE TRAVELERS.
12 WE'LL MOVE TO COMMITTEE REPORTS, STARTING
13 WITH THE LOCAL ASSISTANCE AND PLANNING COMMITTEE, MR.
14 CHESBRO.

15 BOARD MEMBER CHESBRO: MR. CHAIRMAN, THE LOCAL
16 ASSISTANCE AND PLANNING COMMITTEE CONSIDERED NINE
17 PLANNING DOCUMENTS, ALL OF WHICH ARE ON THE CONSENT
18 CALENDAR. ONE OF THOSE, THE DEL NORTE REGIONAL AGENCY
19 PETITION FOR REDUCED PLANNING REQUIREMENTS, AND IN THE
20 PROCESS OF APPROVING THAT RECOMMENDATION FOR THE
21 BOARD'S CONSENT CALENDAR, WE ALSO ASKED STAFF TO PURSUE
22 STATUTORY AND REGULATORY CHANGES TO MAKE THE DEFINITION
23 OF RURAL JURISDICTION MORE REALISTIC. THAT I THINK
24 COMES UNDER THE CATEGORY OF THE PREVIOUS POLICY
25 DIRECTION WE HAD GIVEN TO STAFF TO STREAMLINE THE RURAL



1 ASSISTANCE PROGRAMS. AND SO ALTHOUGH WE'RE GOING TO
2 HAVE TO GO THROUGH SOME HOOPS TO DO THE STREAMLINING,
3 IT MAY TAKE AS MUCH AS A YEAR, BUT IN THE MEANTIME THE
4 COMMITTEE FELT THAT CONDITIONAL APPROVAL TO GIVE DEL
5 NORTE SOME BREATHING SPACE WAS WARRANTED SINCE THEY
6 HAVE WORKED VERY HARD ON A VARIETY OF FRONTS TO BE IN
7 COMPLIANCE, INCLUDING AN EXCEPTIONAL DIVERSION RATE
8 THAT THEY'VE ACHIEVED.
9 THE STAFF PRESENTED US WITH SOME UPDATES.
10 THE STATEWIDE HOUSEHOLD HAZARDOUS WASTE CONFERENCE WAS
11 HELD AT ASILIMAR CONFERENCE CENTER IN EARLY MARCH, AND
12 STAFF COORDINATED SEVERAL SESSIONS FOR THE CONFERENCE
13 THAT INCLUDED ALTERNATE FUNDING SOURCES FOR HOUSEHOLD
14 HAZARDOUS WASTE PROGRAMS, CURRENT LATEX PAINT RECYCLING
15 ISSUES, USED OIL COLLECTION ISSUES, AND OTHERS.
16 CAL-EPA HAS INCREASED THEIR USE OF
17 RECYCLED-CONTENT PAPER WITH THE HELP OF BOARD STAFF,
18 JERRY HART AND JOYCE MASON. EIGHTY-FOUR PERCENT OF
19 CAL-EPA'S PAPER PURCHASES IN 1997 HAD POSTCONSUMER
20 CONTENT FROM 10 TO 15 PERCENT. SO WANTED TO NOTE THAT
21 ACHIEVEMENT.
22 FINALLY, THE "MOW DOWN POLLUTION"
23 CAMPAIGN ON WHICH THE BOARD IS AN EXECUTIVE PARTNER AND
24 MR. JONES HAS TAKEN A LEADERSHIP ROLE HELD A VERY
25 SUCCESSFUL GENERAL PARTNERSHIP MEETING. THE MEDIA



1 PORTION OF THE CAMPAIGN IS FOCUSING ATTENTION ON USED
2 OIL RECYCLING, REDUCING GREEN WASTE DISPOSAL, IMPROVING
3 AIR QUALITY, AND PROMOTING THE USE OF ELECTRIC MOWERS.
4 AND THAT COMPLETES MY REPORT.

5 CHAIRMAN PENNINGTON: THANK YOU, MR. CHESBRO.
6 THE LEGISLATIVE AND PUBLIC EDUCATION COMMITTEE, MR.
7 EATON CHAIRS.

8 BOARD MEMBER EATON: YES. BECAUSE MR. FRAZEE
9 WAS CHAIR, HE WILL BE GIVING THAT REPORT ONE,
10 HOPEFULLY, LAST TIME.

11 BOARD MEMBER FRAZEE: YES. MY ONE AND ONLY
12 MOMENT OF GLORY. THE --

13 BOARD MEMBER EATON: KIND OF A THROW-BACK,
14 ISN'T IT?

15 BOARD MEMBER FRAZEE: LEGISLATION AND PUBLIC
16 EDUCATION COMMITTEE MET ON MARCH 17TH. THREE
17 LEGISLATIVE ITEMS THAT ARE ON THE CONSENT CALENDAR
18 TODAY, FIRST AB 1699 BY ORTIZ, DEALING WITH RICE STRAW
19 BURNING. IN THAT ONE THE COMMITTEE RECOMMENDED
20 DEFERRING ACTION TO THE AIR RESOURCES BOARD.
21 AB 2353 BY OLBERG, SURETY INSURERS, AND
22 THAT IS A BILL OF INTEREST TO THE BOARD, AND WE
23 RECOMMEND SUPPORT ON THE CONSENT ON THAT.
24 AND SB 698, RAINEY, PLASTIC TRASH BAGS,
25 SOME CLEANUP LEGISLATION ON THAT. AND THE COMMITTEE



1 RECOMMENDS SUPPORT ON THE CONSENT CALENDAR ON THAT
2 ITEM.
3 ITEMS IN THE WAY OF REPORTS, WE HEARD AN
4 UPDATE ON PUBLIC EDUCATION ACTIVITIES FROM THE
5 DIVERSION, PLANNING AND LOCAL ASSISTANCE DIVISION, AN
6 UPDATE FROM THE OFFICE OF PUBLIC AFFAIRS, AND FINALLY,
7 A PRESENTATION BY SUSAN PATAWNY FROM SAN BERNARDINO
8 COUNTY ON THE MODEL SCHOOL PROGRAM THAT THEY HAVE BEEN
9 VERY SUCCESSFUL WITH CONDUCTING. THAT COMPLETES THAT
10 ONE.

11 CHAIRMAN PENNINGTON: YES, PERMITTING AND
12 ENFORCEMENT WHICH YOU CHAIR ALSO.
13 BOARD MEMBER FRAZEE: YES. THE PERMITTING AND
14 ENFORCEMENT COMMITTEE MET ON MARCH 19TH. ONE ITEM THAT
15 NEEDS SOME CLARIFICATION THAT'S ON THE RECOMMENDED
16 CONSENT CALENDAR TODAY, AND THAT'S ITEM 25, IS LISTED
17 AS THE CONSIDERATION OF A REVISED SOLID WASTE FACILITY
18 PERMIT FOR THE BRADLEY LANDFILL. IN FACT, THE ACTION
19 VARIES SLIGHTLY FROM THAT. THE ACTION TAKEN BY THE
20 COMMITTEE WAS TO CLARIFY THE INSURANCE ISSUE AND THEN
21 RETURN THE ITEM TO THE DEPUTY DIRECTOR FOR PERMITTING
22 AND ENFORCEMENT FOR ACTION ON THE ISSUANCE OF THE
23 PERMIT. SO JUST WANTED TO CLEAR THAT ONE UP.
24 SECOND ITEM RECOMMENDED FOR THE CONSENT
25 CALENDAR IS A CONSIDERATION OF NEW SITES FOR THE



1 AB 2136 PROGRAM.
2 THIRD, THE CONSIDERATION OF SITES FOR
3 REMEDIATION UNDER THE WASTE TIRE STABILIZATION AND
4 ABATEMENT PROGRAM. AND THE COMMITTEE DID REMOVE ONE
5 SITE, THE SO-CALLED LOVERS LANE CLEANUP SITE, FROM THE
6 LIST BECAUSE OF SOME PROPERTY OWNERSHIP PROBLEMS
7 THERE.
8 AND FINALLY, CONSIDERATION OF A REVISED
9 CRITERIA FOR THE LOCAL GOVERNMENT WASTE TIRE CLEANUP
10 MATCHING GRANT PROGRAM.
11 THEN AN ITEM THAT'S FORWARDED WITHOUT
12 RECOMMENDATION FOR THE REGULAR AGENDA TODAY, THE
13 CONSIDERATION OF A REVISED SOLID WASTE FACILITY PERMIT
14 FOR THE HIGHWAY 59 LANDFILL IN MERCED COUNTY.
15 THEN THE COMMITTEE HEARD A NUMBER OF
16 ITEMS THAT EITHER REQUIRED ONLY COMMITTEE ACTION OR DID
17 NOT REQUIRE MOVING ON TO THE FULL BOARD. AND THE FIRST
18 OF THOSE WAS A PRESENTATION OF THE UPDATED INVENTORY OF
19 SOLID WASTE FACILITIES PERMITS VIOLATING STATE MINIMUM
20 STANDARDS. SECOND, DISCUSSION OF ISSUES ASSOCIATED
21 WITH THE TIERED PERMIT REGULATORY STRUCTURE. AND IN
22 THAT ITEM THE COMMITTEE DIRECTED THE STAFF TO COLLECT
23 ADDITIONAL INFORMATION FROM INTERESTED PARTIES. THIRD,
24 THE CONSIDERATION OF APPROVAL TO BEGIN A 45-DAY COMMENT
25 PERIOD FOR THE REGULATIONS DEALING WITH THE AB 2136



1 PROGRAM. FOURTH, THE CONSIDERATION OF THE STATUS AND
2 REVISIONS TO THE OXFORD TIRE RECYCLING. NO ACTION WAS
3 TAKEN ON THIS ITEM. AND FINALLY, THE CONSIDERATION OF
4 ADOPTION OF PROPOSED REGULATIONS FOR TRANSFER
5 PROCESSING OPERATIONS AND FACILITIES. THIS ITEM WAS
6 HELD IN COMMITTEE TO ALLOW STAFF TIME TO FURTHER
7 DEVELOP THE ISSUE AND GATHER INPUT AND WITH THE
8 EXPECTATION THAT WE WILL BE GOING OUT FOR A NEW COMMENT
9 PERIOD ONCE THAT ADDITIONAL INFORMATION IS OBTAINED.
10 AND THAT COMPLETES MY REPORT.

11 CHAIRMAN PENNINGTON: THANK YOU, MR. FRAZEE.
12 NOW THE POLICY, RESEARCH AND TECHNICAL ASSISTANCE
13 COMMITTEE, MR. JONES.

14 BOARD MEMBER JONES: THANK YOU, MR. CHAIRMAN.
15 POLICY, RESEARCH AND TECHNICAL ASSISTANCE COMMITTEE MET
16 ON MARCH 5TH AND HEARD TWO ITEMS, ONE OF WHICH IS ON
17 TODAY'S AGENDA. AND THAT IS THE CONSIDERATION OF THE
18 EFFECTIVENESS OF THE LOS ANGELES COUNTY RAC TECHNOLOGY
19 CENTER AND THE ALLOCATION OF FUNDING FOR FISCAL YEAR
20 '97-'98. COMMITTEE VOTED TWO OH TO APPROVE THE ITEM,
21 BUT MOVED IT TO THE BOARD, NOT ON CONSENT, SO THAT
22 BOARD MEMBERS COULD HEAR THE ITEM.
23 WE ALSO HEARD A STATUS REPORT ON THE PUC
24 DEREGULATION, AB 1890, OF THE ELECTRIC UTILITY
25 INDUSTRY. AS THINGS CONTINUE TO UNFOLD, WE WILL



1 CONTINUE TO GET THOSE UPDATES. OUR CONCERNS ARE SOME
2 OF THE ISSUES AROUND THE PUC ORDERING BUYOUTS OF
3 ALTERNATIVE ENERGY SOURCES, WHICH INCLUDE THE BIOMASS
4 FACILITIES, LANDFILL GAS PROJECTS, THOSE TYPES OF
5 THINGS, THAT ARE PART OF OUR MISSION. AND SO FAR THAT
6 HASN'T HAPPENED, BUT THEY WILL KEEP US APPRISED OF
7 THAT.
8 AND THEN I JUST WANT TO BRIEFLY LET OTHER
9 BOARD MEMBERS KNOW THAT THROUGH SOME DISCUSSIONS THAT
10 MR. RELIS HAD HAD WITH A GROUP OF HYDROGEN SCIENTISTS
11 OUT OF -- ACTUALLY, I GUESS, ALL OVER THE WESTERN
12 UNITED STATES, THEY'RE LOOKING AT SOLID WASTE
13 FACILITIES AND LANDFILLS AS GASIFICATION -- POTENTIAL
14 GASIFICATION PROJECTS AND NEEDED TO GET A LITTLE BIT OF
15 UNDERSTANDING OF HOW THE BOARD, BECAUSE THEIR POTENTIAL
16 CUSTOMERS WANTED TO KNOW, WHAT THE MANDATES, WHAT
17 IMPACT THAT WOULD HAVE ON ANY POTENTIAL WORK. I LET
18 THEM KNOW THAT I COULDN'T SPEAK FOR THE BOARD, BUT THAT
19 WE DID RELY ON STATUTE. AND IN FACT, THE WAY STATUTE
20 IS WRITTEN, 10 PERCENT OF THE 50 PERCENT PROBABLY FALLS
21 IN THAT NEIGHBORHOOD. IT WAS PRETTY ENLIGHTENING.
22 THERE IS SOME POTENTIAL THERE FOR WORKING POTENTIALLY
23 WITH THE DEPARTMENT OF ENERGY THROUGH SOME GRANT
24 PROGRAMS TO HELP FOSTER THAT TECHNOLOGY, BUT IT'S TOO
25 EARLY TO TELL.



1 AND I DO WANT TO THANK THE PERMITS
2 DIVISION FOR PROVIDING WES MINDERMAN, WHO ACTUALLY DID
3 A LOT OF HIS DEGREE WORK IN THAT AREA AND WAS HELPFUL
4 IN INTERPRETING FOR ME WHAT THE SCIENTISTS AND FOLKS
5 WERE REALLY TALKING ABOUT. SO IT WAS A PRETTY GOOD
6 DAY, BUT IT'S A LONG WAY AWAY FROM EVER GETTING IN
7 FRONT OF THIS BOARD. THANKS, MR. CHAIRMAN.

8 CHAIRMAN PENNINGTON: OKAY. THANK YOU, MR.
9 JONES.

10 NOW MARKET DEVELOPMENT COMMITTEE, MR.

11 JONES INTERIM CHAIRMAN.

12 BOARD MEMBER JONES: ACTUALLY I WASN'T INTERIM
13 CHAIRMAN. I HADN'T BEEN APPROVED YET. YOU WERE,
14 BUT -- I COULDN'T VOTE.

15 CHAIRMAN PENNINGTON: WE'RE GETTING OFF TO A
16 GREAT START HERE THIS MORNING.

17 BOARD MEMBER JONES: ACTUALLY THIS WAS THE
18 ITEM ON THE KROEKER LOAN. AND ALTHOUGH I COULDN'T
19 VOTE, I'D BE MORE THAN HAPPY TO RELAY WHAT THAT WAS.
20 THE KROEKER -- THE KROEKER LOAN CAME
21 FORWARD THROUGH THE RMDZ LOAN PROGRAM. IT'S A MILLION
22 DOLLAR LOAN TO FOSTER RECYCLING ON A WOOD PROCESSING
23 FACILITY THAT IS ACTUALLY AT THEIR 20-ACRE SITE. SOME
24 OF THE DISCUSSIONS THAT CAME UP DURING THE COURSE OF
25 THAT COMMITTEE MEETING WERE, IN FACT, WAS THIS AN



1 ILLEGAL DUMP THAT WE WERE GOING TO BAIL OUT WITH A
2 MILLION DOLLAR LOAN. THE DIRECTION OF BOTH MR.
3 PENNINGTON AND MR. CHESBRO WAS THAT WE PROBABLY NEEDED
4 TO HAVE AN INSPECTION BY BOARD STAFF TO ENSURE THAT, IN
5 FACT, THIS WAS NOT AN ILLEGAL DUMP THAT WE WERE GOING
6 TO BE SPENDING A MILLION DOLLARS AT. I JOINED IN THAT
7 ROAD SHOW, AND IT -- IT'S A LEGITIMATE OPERATION THAT
8 HAS POTENTIAL TO DIVERT QUITE A BIT OUT OF THE
9 WASTESTREAM.
10 AND I THINK THE COMMITTEE'S MOTION WAS TO
11 APPROVE UNLESS THERE WAS A PROBLEM WITH THE INSPECTIONS
12 OR WORDS TO THAT EFFECT. THAT'S MY REPORT, MR.
13 CHAIRMAN.
14 CHAIRMAN PENNINGTON: VERY GOOD. THANK YOU.
15 I APOLOGIZE FOR THE SCREW-UP HERE.
16 THE ADMINISTRATION COMMITTEE, WHICH I DID
17 CHAIR AND I DO REMEMBER THAT, THE ADMINISTRATION
18 COMMITTEE MET ON MARCH 3, 1998, AND HEARD FOUR ITEMS.
19 TWO OF THESE ITEMS ARE ON THE BOARD CONSENT CALENDAR
20 AND INCLUDE APPROVAL OF THE USED OIL OPPORTUNITY GRANTS
21 AND THE PLAYGROUND COVER GRANTS. BOTH THE BOARD
22 COMMITTEE ASSIGNMENTS AND THE CONSIDERATION OF
23 ALLOCATING 25,000 IN UNOBLIGATED IWMA EXPENDITURE
24 AUTHORITY WILL BE DISCUSSED TODAY.
25 NOW WE'LL HEAR FROM THE EXECUTIVE



1 DIRECTOR.

2 MR. CHANDLER: THANK YOU, MR. CHAIRMAN. GOOD

3 MORNING, MEMBERS. WELCOME TO THE BOARD, MR. AMODIO.

4 I HAVE FOUR ITEMS I'D LIKE TO GO OVER

5 THIS MORNING. FIRST, I'M PLEASED TO INFORM YOU THAT

6 THE DEPARTMENT OF FINANCE HAS APPROVED THE MODIFIED

7 FINANCE LETTER THAT FULLY RESTORES OUR HOUSEHOLD

8 HAZARDOUS WASTE GRANT PROGRAM TO ITS PREVIOUS LEVEL OF

9 \$3 MILLION. THE FINANCE LETTER ALSO PROVIDES AN

10 ADDITIONAL ONE-TIME AUTHORITY OF HALF A MILLION DOLLARS

11 TO ENABLE THE BOARD TO DO A STATEWIDE WASTE

12 CHARACTERIZATION STUDY.

13 NEXT, I'D LIKE TO UPDATE YOU ON THE

14 BOARD'S 1998 RULEMAKING CALENDAR WHICH YOU RECALL WAS

15 APPROVED BY THE BOARD IN DECEMBER AT ITS DECEMBER '97

16 MEETING. STAFF IDENTIFIED FIVE PROPOSALS INCLUDED IN

17 THE '98 CALENDAR THAT DO NOT NEED TO BE PURSUED THIS

18 YEAR. THIS WILL RELIEVE THE BURDEN OF REGULATION

19 DEVELOPMENT AND PERMIT THE BOARD TO BETTER FOCUS ON

20 RESOURCES ON ACHIEVING ITS STRATEGIC PLAN GOALS.

21 THE FIVE PACKAGES ARE ALL PLANNING BASED

22 REGULATIONS: BIOMASS REPORTING, DIVERSION REPORTING,

23 AND MATERIAL HANDLERS, SOLID WASTE DISPOSAL

24 CHARACTERIZATION, WASTE TYPES, AND, FIFTH, WASTE

25 GENERATION STUDIES. WHERE APPROPRIATE, STAFF WILL



1 DEVELOP GUIDANCE DOCUMENTS ON THESE SUBJECTS FOR THE
2 BOARD'S CONSIDERATION AND DISSEMINATION TO LOCAL
3 JURISDICTIONS.
4 A REVISED RULEMAKING CALENDAR WAS
5 SUBMITTED ON MARCH 20TH TO CAL-EPA AND THE OFFICE OF
6 ADMINISTRATIVE LAW. OAL WILL SOON BE PUBLISHING THE
7 '98 CALENDAR FOR THE CAL-EPA BOARDS AND DEPARTMENTS, SO
8 I MADE AN EXECUTIVE DECISION TO REMOVE THESE PROPOSALS
9 BEFORE IT WAS PUBLISHED. IN ADDITION TO REMOVING THESE
10 ITEMS, THE TIME LINES FOR SEVERAL REMAINING PROPOSALS
11 WERE REVISED TO REFLECT THEIR CURRENT STATE OF
12 DEVELOPMENT. WE WILL PREPARE AN ITEM FOR BOARD'S APRIL
13 MEETING ADDRESSING OUR 1998 RULEMAKING PRIORITIES BASED
14 ON IMPLEMENTING OUR '97 STRATEGIC PLAN AS PROMISED IN
15 OUR DECEMBER MEETING. AT THAT TIME WE WILL ASK THE
16 BOARD TO APPROVE THE REVISED CALENDAR.
17 AS MR. FRAZEE MENTIONED, I'D LIKE TO SAY
18 A FEW WORDS ABOUT THE INVENTORY THAT WAS DISCUSSED AT
19 HIS PERMITTING AND ENFORCEMENT COMMITTEE MEETING. AS
20 YOU KNOW, PURSUANT TO PUBLIC RESOURCES CODE 44104, THE
21 BOARD IS REQUIRED TO UPDATE AND PUBLISH TWICE ANNUALLY
22 AN INVENTORY OF SOLID WASTE FACILITIES VIOLATING STATE
23 MINIMUM STANDARDS. THE LAST SUCH UPDATE WAS IN
24 SEPTEMBER OF 1997, AND AT THAT TIME THERE WAS 30
25 FACILITIES ON THE INVENTORY. SINCE THEN FOUR HAVE BEEN



1 REMOVED AND FOUR HAVE BEEN ADDED TO KEEP ITS CURRENT
2 TOTAL AT 30 FACILITIES ON THE INVENTORY.
3 I PARTICULARLY WANT TO HIGHLIGHT THAT 12
4 OF THE 30 FACILITIES ON THE INVENTORY WERE INCLUDED FOR
5 SHORT-TERM VIOLATIONS. ONE OF THE GOALS OF THE BOARD'S
6 STRATEGIC PLAN CALLS FOR A 25-PERCENT REDUCTION IN THE
7 NUMBER OF FACILITIES ON THE INVENTORY FOR SHORT-TERM
8 VIOLATIONS BY THE YEAR 2001. THIS IS MEASURED FROM THE
9 BASELINE SHORT-TERM INVENTORY OF JANUARY 1997, WHICH
10 INCLUDED 26 FACILITIES. THIS REDUCTION REPRESENTS A
11 54-PERCENT REDUCTION.
12 THE OTHER 18 FACILITIES CURRENTLY ON THE
13 LIST ARE FOR LONG-TERM GAS VIOLATIONS. EIGHT OF THOSE
14 FACILITIES CURRENTLY HAVE OPERATIONAL GAS EXTRACTION
15 SYSTEMS IN PLACE AND ARE EXPECTED TO BE FULLY -- TO BE
16 ABLE TO FULLY CORRECT THE VIOLATIONS BEFORE THE NEXT
17 UPDATE.
18 THIS LATEST VERSION OF THE INVENTORY WILL
19 BE PLACED ON THE BOARD'S INTERNET WEB SITE FOR PUBLIC
20 ACCESS AND ALSO BE MADE AVAILABLE THROUGH THE BOARD'S
21 LIST OF PUBLICATIONS.
22 I ALSO HAVE GOOD NEWS TO REPORT
23 CONCERNING THE SIGNIFICANT CHANGE LIST, WHICH TRACKS
24 FACILITIES THAT HAVE SIGNIFICANT PERMIT VIOLATIONS. IN
25 SEPTEMBER OF 1997, THERE WERE 33 LISTS -- 33 SITES ON



1 THE LIST. SINCE THEN TEN HAVE BEEN REMOVED AND THREE
2 HAVE BEEN ADDED FOR A CURRENT TOTAL OF 26 SITES.
3 OVERALL THERE ARE 48 SITES ON EITHER LIST OUT OF
4 APPROXIMATELY 590 ACTIVE SOLID WASTE FACILITIES IN THE
5 STATE. THIS REPRESENTS A COMPLIANCE RATE OF 92 PERCENT
6 ON A STATEWIDE BASIS.
7 AND FINALLY, OF SPECIAL INTEREST TO SOME
8 OF THE MEMBERS AND MANY INDIVIDUALS IN THE AUDIENCE,
9 STAFF WILL BE BRINGING TWO TIRE FUND ITEMS BEFORE THE
10 POLICY, RESEARCH AND TECHNICAL ASSISTANCE COMMITTEE ON
11 APRIL 15TH. THE FIRST ITEM IS ALLOCATION OF TIRE FUNDS
12 FOR THE CURRENT FISCAL YEAR. AS IS THE CASE EVERY
13 YEAR, THERE ARE FUNDS REMAINING IN THE TIRE FUND THAT
14 WERE ALLOCATED BY THE BOARD BUT NOT ENCUMBERED. THIS
15 YEAR THE STAFF WILL BE BRINGING AN ITEM FORWARD THAT
16 SEEKS TO REALLOCATE APPROXIMATELY \$1.2 MILLION FOR
17 FISCAL YEAR 1997-98. MUCH OF THIS UNENCUMBERED MONEY
18 IS FROM THE \$1 MILLION ALLOCATION FOR TIRE BUSINESS
19 LOANS THAT HAVE NOT MATERIALIZED.
20 THE SECOND ITEM IS THE ALLOCATION FOR
21 FISCAL YEAR '98-'99 FOR TIRE FUNDS. IN THIS ITEM STAFF
22 WILL BE PRESENTING RECOMMENDATIONS TO ALLOCATE
23 APPROXIMATELY \$3 MILLION IN DISCRETIONARY FUNDS. AND
24 THAT CONCLUDES MY REPORT.

25 CHAIRMAN PENNINGTON: THANK YOU, MR.



1 CHANDLER. NOW WE'RE GOING TO HAVE A PRESENTATION ON
2 THE CAL-EPA ENVIRONMENTAL HOTLINE. MR. SELOVER.
3 MR. SELOVER: GOOD MORNING, MR. CHAIRMAN AND
4 MEMBERS OF THE BOARD. IT'S A PLEASURE TO BE HERE
5 TODAY. AS YOU ALL KNOW, I THINK YOU HAVE SOME
6 KNOWLEDGE, WE HAVE THE CALIFORNIA ENVIRONMENTAL
7 HOTLINE, WHICH HAS BEEN A PROJECT OF ALL BOARDS AND
8 DEPARTMENTS WITHIN CAL-EPA AND ITS SHARED VISION AND
9 THE VISION OF THE SECRETARY ABOUT USING MULTIMEDIA
10 PROJECTS TO FURTHER POLLUTION PREVENTION IN THE STATE.
11 THIS PROJECT STARTED APPROXIMATELY A YEAR
12 AGO WHEN CHRIS WARNER AND I -- CHRIS IS THE PRESIDENT
13 OF THE U.S. ENVIRONMENTAL HOTLINE - - AND HAS GAINED
14 SUPPORT OVER THE PAST YEAR AND HAS GROWN IN IMPORTANCE
15 AND IN OUR VISION.
16 THE CALIFORNIA ENVIRONMENTAL HOTLINE IS A
17 MULTIMEDIA RESOURCE FOR ALL CALIFORNIANS, AND WE BUILT
18 A TEMPLATE FOR THE REST OF THE NATION TO FOLLOW. THE
19 HOTLINE IS IN ALL 50 STATES; HOWEVER, IN MOST STATES
20 IT'S ONE OR TWO MEDIA OR JUST DEALS WITH RECYCLING. IN
21 OUR VISION THE HOTLINE DEALS WITH ALL MEDIA AND
22 PROVIDES A UNIQUE RESOURCE FOR ALL CALIFORNIANS.
23 WE HAVE A SHORT VIDEO, THEN CHRIS WARNER
24 WILL JUST GIVE YOU A SHORT PRESENTATION. I THINK THE
25 VIDEO SPEAKS MANY, MANY WORDS FOR WHAT THE HOTLINE IS



1 DOING AND WHAT IT WILL DO IN THE FUTURE. SO WE VIEW,
2 YOU KNOW, THIS AS A GOOD START, YOU KNOW, OF THIS
3 PROJECT, AND HOPEFULLY IT WILL BRING FORTH AN
4 EXTRAORDINARY POLLUTION PREVENTION TOOL AND INFORMATION
5 TOOL FOR ALL CALIFORNIANS.

6 CHAIRMAN PENNINGTON:

7 (VIDEO WAS PLAYED, BUT NOT REPORTED
8 NOR HEREIN TRANSCRIBED.)

9 CHAIRMAN PENNINGTON: VERY GOOD. I NOTICED
10 ONE THERE YOU HAD TO USE A WIDE-ANGLE SHOT ON THOUGH.

11 MR. WARNER: IT'S A BIG CAR. MY NAME IS CHRIS
12 WARNER, AND I'M THE PRESIDENT OF THE U.S. ENVIRONMENTAL
13 HOTLINE, AND I'M VERY EXCITED TO BE HERE TODAY.
14 WOULDN'T BE HERE WITHOUT SOME TREMENDOUS HELP FROM YOUR
15 STAFF AND THE BOARD ITSELF. JOHN FRITH IS HERE AND
16 CAROL MORTENSEN, AND I DON'T SEE JILL, BUT A LOT OF
17 PEOPLE HAVE WORKED A LOT OF -- PUT A LOT OF TIME IN
18 MAKING THIS A REALITY.

19 THE CRAZY THING ABOUT THIS HOTLINE IN
20 CALIFORNIA IS THAT, WHILE OFFICIALLY, TECHNICALLY
21 CALIFORNIA WAS THE LAST STATE ON BOARD, EVEN THOUGH
22 WE'VE BEEN WORKING WITH THE STATE FOR ALMOST FOUR YEARS
23 AND A LOT OF DIFFERENT GROUPS WERE INVOLVED, IT HAS
24 TAKEN THE LEAD NATIONWIDE IN THE PROGRAM AND
25 INTERNATIONALLY, AND HAS BEEN -- IS LOOKED AT NOW



1 WITHIN A YEAR AS THE LEADER OF THIS PROGRAM.
2 WHEN WE WENT TO CANADA AND MADE A
3 PRESENTATION AFTER FIVE AND A HALF YEARS OF TRYING TO
4 EXPAND IT NATIONWIDE IN AMERICA, IT TOOK ONE MEETING IN
5 CANADA AND THIS VIDEO. THEY SAID, "WELL, CALIFORNIA IS
6 DOING IT. WE'RE IN." AND THEY HAD WORKED TWO AND A
7 HALF YEARS TO TRY TO DO SOMETHING LIKE THIS IN CANADA.
8 SO IT WAS REAL EXCITING THAT THE MINISTRY OF THE
9 ENVIRONMENT AND A BUNCH OF OTHER GROUPS ALL IN ONE
10 MEETING SAID WE'RE IN AND WE'D LIKE TO EXPAND
11 COUNTRYWIDE AS SOON AS POSSIBLE.
12 I GAVE OUT SOME PACKETS, AND THE CONCEPT
13 BEHIND THAT, I JUST WANTED TO BE ABLE TO GIVE YOU AN
• 14 EXAMPLE OF SOME OF THE things THAT ARE GOING ON. I
15 DIDN'T WANT TO JUST BORE YOU TO DEATH, BUT THERE'S SOME
16 REALLY EXCITING THINGS GOING ON.
17 ONE, AFTER TREMENDOUS AMOUNT OF MAKING IT
18 JUST RIGHT, L.A. TIMES, AFTER A SINGLE PHONE CALL AND
19 WITH THE HELP OF THE BOARD AND INTEGRATED WASTE
20 MANAGEMENT BOARD AND CAL-EPA AND THE CALIFORNIA
21 NEWSPAPER PUBLISHERS ASSOCIATION, THEY'RE STARTING TO
22 RUN THESE ADS, QUARTER PAGE, HALF PAGE, AND I THINK
23 THEY'RE GOING TO GET UP TO FULL-PAGE ADS. AND WHAT'S
24 EXCITING ABOUT THAT IS THAT'S THE FIRST NEWSPAPER WE'VE
25 TARGETED. AND WE WERE TOLD THAT'S PROBABLY THE HARDEST



1 NEWSPAPER TO GET PSA'S TO RUN INTO. AND THEIR
2 STATEMENT TO US WAS, "THIS HAS GOT EVERYONE ON BOARD.
3 IT'S GOT THE PUBLIC SECTOR, THE PRIVATE SECTOR. WE
4 STICK OUR LOGO IN HERE, AND WE'RE NOW PARTNERS WITH OUR
5 COMMUNITY." AND THEY'VE MADE A COMMITMENT TO RUN THEM
6 ON A CONSISTENT BASIS, WHICH A FULL-PAGE AD IS LIKE
7 \$86,000. SO IT'S A LITTLE MIND BOGGLING THE VALUE THAT
8 WILL COME FROM SOMETHING LIKE THIS.
9 THIS JUST HAPPENED -- MIGHT GO BOTH WAYS
10 FOR SOME PEOPLE IN HERE, BUT MICROSOFT IS A PARTNER,
11 AND THEY'VE BEEN A GREAT PARTNER. THEY SEND SOFTWARE
12 IN BOXES, AND THEY'VE GOT SOME EXCITING IDEAS ON WHAT
13 THEY CAN DO WITH THE PROGRAM. A KID'S WEB PAGE AND A
14 TREMENDOUS AMOUNT OF HIGH TECHNOLOGY USES TO SPEED AND
15 MAKE THE DISSEMINATION OF THIS INFORMATION AS EASY AS
16 POSSIBLE. BUT THEY JUST CAME BACK WITH AN AD THAT THEY
17 THINK BILL GATES IS GOING TO DO ON THE HOTLINE,
18 EXPLAINING HOW THIS IS A PUBLIC/PRIVATE PARTNERSHIP,
19 AND THAT MICROSOFT IS NOT HERE TO SELL SOFTWARE TODAY.
20 THEY'RE HERE TO HELP US ALL PROTECT THE ENVIRONMENT.
21 SO IT'S SORT OF EXCITING BECAUSE THE PRIVATE SECTOR HAS
22 TAKEN AS MUCH OWNERSHIP IN THIS PROGRAM AS THE PUBLIC
23 SECTOR. AND WHEN YOU PUT THOSE TWO FORCES TOGETHER,
24 IT'S SCARY WHAT'S POSSIBLE.
25 I JUST STUCK THE LETTER IN FROM CANADA.



1 THIS IS A LETTER RECEIVED AFTER ONE MEETING. SO THE
2 EXPANSION OF THE PROGRAM HAS BECOME A LOT EASIER, AND A
3 LOT OF THAT IS FROM - - DUE TO THE LEADERSHIP OF
4 CALIFORNIA.
5 THERE'S A BILL BEING INTRODUCED BY A
6 REPUBLICAN, CONGRESSMAN WELDON IN -- BACK IN
7 WASHINGTON, D.C. -- HE'S A CONGRESSMAN FROM
8 PENNSYLVANIA -- TO EXPAND THE PROGRAM WORLDWIDE. AND
9 IT'S VERY EXCITING TO US TO HAVE CALIFORNIANS AGAINST
10 WASTE A BIG SUPPORTER OF THE PROGRAM AND REPUBLICAN
11 CONGRESSMEN IN WASHINGTON BIG SUPPORTERS OF THE PROGRAM
12 AND EVERYONE AT THE SAME TABLE ENABLES THE PROGRAM TO
13 BE VERY SUCCESSFUL AND TO, YOU KNOW, TO WORK WITHOUT
14 ANY POLITICAL BICKERING I THINK I STUCK A LETTER FROM
15 GOVERNOR WILSON IN HERE. WE'RE REAL PROUD ABOUT THAT.
16 I DON'T KNOW WHY I STUCK THAT IN HERE.
17 THIS IS THE CALIFORNIA NEWSPAPER
18 ASSOCIATION'S LETTER TOO THAT WENT OUT TO THE
19 PUBLISHERS, AND THERE'S JUST TWO MORE THINGS I WANT TO
20 TALK ABOUT, AND HOPEFULLY THERE'S QUESTIONS.
21 HOME DEPOT IS A PARTNER, AND THEY'VE
22 TAKEN THIS TO THE VISION THAT WE WANTED OUR PARTNERS TO
23 TAKE AS A VISION. WE ENVISION THIS AS THE OLYMPICS TO
24 THE ENVIRONMENT WHERE THERE IS NO ADVERTISING ON THE
25 SYSTEM AT ALL. RIGHT NOW THE ONLY THING YOU HEAR ABOUT



1 THE PARTNERS ON THE SYSTEM IS A WELCOME. IT SAYS THIS
2 IS BROUGHT TO YOU BY THESE PARTNERS. THEY CAN'T
3 ADVERTISE ON IT. THEY'LL NEVER BE ABLE TO ADVERTISE ON
4 IT, AND ON THE WEB SITE, IT'S A SIMILAR JUST MENTIONED
5 ABOUT WHAT THE PARTNERS ARE DOING.
6 OUR GOAL IS TO GET THESE PARTNERS TO TAKE
7 THIS PROGRAM, MAKE IT THEIRS, AND PROMOTE IT LIKE IT'S
8 THEIRS, SIMILAR TO THE OLYMPICS. AND HOME DEPOT HAS
9 DONE THAT. THEY ARE PROBABLY GOING TO PROVIDE IN APRIL
10 SOMEWHERE AROUND A HUNDRED MILLION DOLLARS WORTH OF
11 PROMOTION FOR CALIFORNIA'S HOTLINE. AND IT'S
12 AMAZING -- IT'S JUST MIND BOGGLING HOW MANY PEOPLE GO
13 THROUGH THEIR STORES. IN ONE MONTH IN CALIFORNIA,
14 THEY'LL HAVE 15 MILLION PEOPLE GO THROUGH THEIR STORES.
15 AND THEY HAVE HANDOUTS, THEY HAVE BADGES, THEY HAVE
16 BANNERS, THEY HAVE BROCHURES. IT'S GOING IN ALL THEIR
17 MAILERS. AND HOME DEPOT'S LOGO, WHICH THEY CAME UP ALL
18 BY THEMSELVES, IS VERY EXCITING TO US IS "TAKING CARE
19 OF THE ENVIRONMENT IS THE ULTIMATE HOME IMPROVEMENT."
20 AND THEY'RE GOING TO THEIR VENDORS TO ASK THEM TO PUT
21 THE NUMBER ON THEIR PRODUCTS. THEY'RE GOING TO TAKE
22 THIS PROGRAM FULL CIRCLE, WHICH, YOU KNOW, WITH THE
23 LIMITED RESOURCES THE PUBLIC SECTOR HAS, IS VERY
24 DIFFICULT, BUT A PRIVATE SECTOR ORGANIZATION THAT
25 EMBEDS THIS IN THEIR MARKETING CAMPAIGN CAN DO SOME



1 PHENOMENAL THINGS.
2 THE LAST THING I'D LIKE TO MENTION THAT
3 WE'RE REAL EXCITED ABOUT IS THE -- I PUT A LITTLE THING
4 IN HERE ON THE SAN MATEO SYSTEM. AND IT COVERS ABOUT
5 TEN ZIP CODES OR 15, 20 ZIP CODES, I GUESS. SAN MATEO
6 IS ONE OF OUR GREAT COUNTIES IN THAT THEY HAVE TAKEN
7 THIS PROGRAM TO SOME AMAZING LENGTHS. THEY HAVE TONS
8 OF CUSTOMIZED INFORMATION ON THE SYSTEM, AND THEY'VE
9 DONE SUPERBOWL PROGRAMS AND NBA PROGRAMS AND SCRATCH
10 GAME TICKETS, ALL TIED TO THE SYSTEM. AND WHAT'S NICE
11 ABOUT -- THERE'S THREE PAGES OF JUST WHAT'S ON THEIR
12 SYSTEM.
13 WHAT'S NICE ABOUT THIS IS WE'RE NOW ABLE
14 TO GIVE THEM BACK DEMOGRAPHICS AND TELL THEM WHO'S
15 CALLING, WHEN THEY'RE CALLING, YOU KNOW, TIE IT BACK TO
16 THEIR PROMOTIONS, WHY THEY'RE CALLING. AND THEY ARE
17 NOW ABLE TO TIE THEIR PUBLIC FUNDS ACTUALLY TO RESULTS
18 THAT PEOPLE ARE MAKING A DIFFERENCE, AND WE'LL ACTUALLY
19 BE ABLE TO GO ALL THE WAY DOWN TO THE POINT WHERE WE
20 CAN DO SURVEYS. WE'RE TESTING THAT WITH THEM RIGHT NOW
21 TO SEE EXACTLY IF THE PROMOTIONAL MATERIAL IS WORKING,
22 IF PEOPLE ARE TAKING IN THEIR OIL OR WHATEVER THE ISSUE
23 IS AT THE TIME THEY'RE PROMOTING. SO IT'S PRETTY
24 EXCITING TO SEE A TANGIBLE RETURN FOR THE TAXPAYER
25 DOLLARS THAT YOU CAN HAVE IN YOUR HAND AND BE ABLE TO



1 GO BACK AND SAY, YOU KNOW, OUR OUTREACH PROGRAM WAS
2 FANTASTIC, IT WAS AVERAGE, THIS ONE WAS GREAT, AND
3 WE'RE GOING TO REPLICATE THIS ONE MORE, THIS ONE NEEDS
4 A LITTLE HELP. AND SO THAT IS SOMETHING WE'VE JUST
5 GOTTEN INTO GIVING BACK.
6 AND THE SYSTEM, THE WAY WE CAN DO THAT,
7 THE SYSTEM KNOWS WHERE THE PERSON'S CALLING FROM. SO
8 WE HAVE THE DEMOGRAPHICS OF THE PERSON AND ACTUALLY CAN
9 TIE IT BACK IN MORE DETAIL TO THE INCOME STREAM OF THE
10 CONSUMER, AND YOU CAN TELL IF YOU ARE GETTING TO HIGH
11 INCOME, LOW INCOME STREAM CONSUMERS, SO YOU REALLY CAN
12 TARGET YOUR MESSAGE BETTER. AND A LOT OF MONEY HAS
13 BEEN SPENT ON WHO NEEDS TO BE TARGETED. IT'S JUST HARD
14 TO FIND OUT IF YOU ARE GETTING TO THEM.
15 50 I KNOW THERE'S A TON OF OTHER THINGS.
16 ONE THING I HAVE TO MENTION IS WE'RE WORKING NOW WITH
17 THE ENVIRONMENTAL MEDIA ASSOCIATION, AND THEY HAVE JUST
18 ENGULFED THIS PROGRAM. AND WE ARE ECSTATIC. THEY HAVE
19 CELEBRITIES GETTING READY TO START VOICING. THEY'RE
20 GOING TO DO CONCERTS. THEY'RE GOING TO HAVE IT ON T.V.
21 SHOWS WHERE THEIR ANALOGY WHERE SEINFELD WOULD WANT TO
22 RECYCLE HIS OIL AND KRAEMER WOULD CALL UP THE HOTLINE,
23 SO THEY UNDERSTAND THE BEAUTY OF THE SYSTEM. AND NOW
24 THAT IT'S NATIONWIDE, IT MAKES IT EASIER FOR THEM TO
25 BRING CELEBRITIES TO BEAR AND GET INVOLVED IN THE



1 PROGRAM.
2 I'M SURE THERE'S A TON OF OTHER THINGS I
3 WANTED TO TALK ABOUT. WHEREAS, DIFFERENT PROGRAMS
4 GOING ALL OVER THE NATION, ONE OTHER THING, AND THIS IS
5 SORT OF EXCITING. WE HAVE -- A LOT OF COMMUNITIES HAVE
6 TAKEN OWNERSHIP, AND IT'S MORE THEIR HOTLINE THAN IT
7 WILL EVER BE OURS THE WAY THEY ACT WITH IT. THEY
8 PESTERED ONE GROUP AND THEY'RE DOING IT A LOT TO GROUPS
9 NOW FROM PRODUCERS OF PRODUCTS ALL THE WAY DOWN TO
10 MEDIA OUTLETS. BUT THEY PESTERED THE MOVERS GUIDE,
11 WHICH IS WHAT YOU GET WHENEVER YOU MOVE, YOU GET THIS
12 MOVERS GUIDE, AND IT GIVES YOU THE FORM TO FILL OUT.
13 AND IT'S NOW A LITTLE MARKETING PACKET. THERE'S 25
14 MILLION OF THOSE EVERY QUARTER, I GUESS, PRODUCED.
15 WELL, THE HOTLINE NUMBER IS NOW IN THAT,
16 AND PROBABLY 15 COMMUNITIES IN CALIFORNIA HAD WRITTEN
17 THEM LETTERS SAYING PLEASE PUT THIS NUMBER IN. THE
18 WORST TIME FOR POLLUTION IS WHEN PEOPLE MOVE. THAT'S
19 WHEN THEY THROW THE STUFF AWAY OR THEY DON'T HANDLE IT
20 RIGHT. SO IT WENT FROM THEM PESTERING THE MOVERS GUIDE
21 TO DO THIS TO NOW THE MOVERS GUIDE IS PUTTING FULL
22 PAGE, FULL COLOR ADS IN ABOUT THE PROGRAM IN THE
23 SIX-MONTH PERIOD OF TIME. AND THE VALUE OF ONE AD, I
24 THINK, IS \$2 MILLION, 2 OR \$3 MILLION, AND THEY'RE
25 ECSTATIC TO DO IT BECAUSE NOW THEY'RE PART OF THE



1 SOLUTION. AND SINCE IT'S UNIFORM NATIONWIDE, IT MAKES
2 IT EASIER FOR THEM TO DO IT.

3 I COULD TALK FOREVER, BUT I'D LOVE TO
4 ANSWER ANY QUESTIONS IF ANYONE HAS ANY.

S CHAIRMAN PENNINGTON: ANY QUESTIONS OF MR.

6 WARNER? THANK YOU VERY MUCH FOR BRINGING THE TAPE TO

7 US AND YOU TOO, KEN. THANK YOU.

8 OKAY. NOW WE'LL MOVE ON TO CONSENT

9 CALENDAR. CONSENT CALENDAR CONSISTS OF THE ITEMS 5, 6,

10 9(A), 9(C), AND 9(B), 10 THROUGH 18, 25, 26, 28, AND

11 29.

12 IS THERE ANY MEMBER WHO WISHES TO PULL

13 ANYTHING OFF THE CONSENT CALENDAR?

14 BOARD MEMBER CHESBRO: I'LL MOVE CONSENT, MR.

15 CHAIRMAN.

16 BOARD MEMBER FRAZEE: SECOND.

17 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN MOVED

18 AND SECONDED. IF NO FURTHER DISCUSSION, WILL THE

19 SECRETARY CALL THE ROLL.

20 THE SECRETARY: BOARD MEMBER AMODIO.

21 BOARD MEMBER AMODIO: ABSTAIN.

22 THE SECRETARY: CHESBRO.

23 BOARD MEMBER CHESBRO: AYE.

24 THE SECRETARY: EATON.

25 BOARD MEMBER EATON: AYE.



1 THE SECRETARY: FRAZEE.
2 BOARD MEMBER FRAZEE: AYE.
3 THE SECRETARY: JONES.
4 BOARD MEMBER JONES: AYE.
5 THE SECRETARY: CHAIRMAN PENNINGTON.
6 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.
7 MS. TOBIAS: MR. CHAIR, DID YOU READ 29? 29
8 IS ON CONSENT, AND STAFF IS TELLING ME THAT THEY
9 WEREN'T SURE YOU READ THAT ONE.
10 CHAIRMAN PENNINGTON: 29. 5, 6, 9(A), 9(C),
11 9(D), 10 THROUGH 18, 25, 26, 28, AND 29. OKAY.
12 OKAY. ITEM NO. 7, CONSIDERATION OF BOARD
13 COMMITTEE ASSIGNMENTS. I THOUGHT I HAD IT WORKED OUT,
14 BUT IT LOOKS LIKE THERE MAY BE NEED OF SOME FURTHER
15 DISCUSSION. SO WHAT I'M GOING TO DO IS PRESENT THIS
16 MORNING WHAT THE ADMIN COMMITTEE HAD APPROVED AT THEIR
17 MEETING AND ACTUALLY WON'T MAKE ANY ASSIGNMENTS FOR MR.
18 AMODIO QUITE YET.
19 SO WHAT I'M ASKING THE BOARD TO APPROVE
20 IS MR. EATON TO THE ADMINISTRATION COMMITTEE, REPLACING
21 JANET GOTCH; MR. JONES AS CHAIRMAN OF THE MARKETS
22 COMMITTEE, REPLACING MR. RELIS; MR. EATON TO CHAIR THE
23 LEGISLATION AND PUBLIC EDUCATION COMMITTEE, REPLACING
24 MRS. GOTCH; AND MR. EATON ON THE PERMITTING AND
25 ENFORCEMENT COMMITTEE, REPLACING MR. RELIS.



1 BOARD MEMBER CHESBRO: MR. CHAIRMAN, MAY I ASK
2 A QUESTION?
3 CHAIRMAN PENNINGTON: CERTAINLY.
4 BOARD MEMBER CHESBRO: ARE YOU ASSUMING, AS I
5 THINK YOU WERE, IF I REMEMBER CORRECTLY FROM THE ADMIN
6 COMMITTEE ACTION, THAT THESE ARE ESSENTIALLY
7 TEMPORARILY UNTIL THERE'S A CHANCE FOR MR. AMODIO TO
8 REVIEW THEM?
9 CHAIRMAN PENNINGTON: CORRECT. WE'LL HAVE TO,
10 YOU KNOW, RETHINK THIS WHOLE THING.
11 BOARD MEMBER CHESBRO: SO THIS IS FOR THIS
12 MONTH ESSENTIALLY?
13 CHAIRMAN PENNINGTON: YEAH.
14 BOARD MEMBER CHESBRO: I'LL MOVE THE LIST, THE
15 RECOMMENDATION.
16 BOARD MEMBER EATON: I'LL SECOND THAT MOTION.
17 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN MOVED
18 AND SECONDED. WILL THE SECRETARY CALL THE ROLL.
19 THE SECRETARY: BOARD MEMBER AMODIO.
20 BOARD MEMBER AMODIO: ABSTAIN.
21 THE SECRETARY: CHESBRO.
22 BOARD MEMBER CHESBRO: AYE.
23 THE SECRETARY: EATON.
24 BOARD MEMBER EATON: AYE.
25 THE SECRETARY: FRAZEE.



1 BOARD MEMBER FRAZEE: AYE.

2 THE SECRETARY: JONES.

3 BOARD MEMBER JONES: AYE.

4 THE SECRETARY: CHAIRMAN PENNINGTON.

5 CHAIRMAN PENNINGTON: AYE. THE MOTION

6 CARRIES.

7 MOVING TO ITEM 24, WHICH IS CONSIDERATION

8 OF A REVISED SOLID WASTE FACILITY PERMIT FOR THE

9 HIGHWAY 59 LANDFILL IN MERCED COUNTY. MS. DOROTHY

10 RICE.

11 MS. RICE: THANK YOU, MR. CHAIRMAN AND

12 MEMBERS. GOOD MORNING. LAURA NILES WILL MAKE THE

13 STAFF PRESENTATION.

14 MS. NILES: GOOD MORNING, CHAIRMAN PENNINGTON

15 AND BOARD MEMBERS. I'M LAURA NILES WITH THE BOARD'S

16 PERMITTING AND ENFORCEMENT INSPECTIONS BRANCH. I ALONG

17 WITH JEFF PALSGAARD OF THE MERCED COUNTY LEA OFFICE

18 WILL BE DISCUSSING AGENDA ITEM 24, THE CONSIDERATION OF

19 THE REVISED SOLID WASTE FACILITY PERMIT FOR THE HIGHWAY

20 59 LANDFILL, 24-AA-001.

21 WE RECEIVED THE PROPOSED PERMIT FOR THE

22 HIGHWAY 59 LANDFILL TO REQUEST INCREASE IN TONNAGE FROM

23 600 TO 900 TONS A DAY, CHANGE THE OPERATION HOURS TO

24 FACILITATE NIGHTTIME OPERATIONS, EXTEND THE EXPECTED

25 CLOSURE DATE FROM 1997 TO 2010, AND ADD 10 ACRES FOR



1 SEDIMENTATION PONDS ON THE SOUTHWEST SIDE, INCREASE THE
2 LANDFILL HEIGHT FROM 210 FEET TO 310 FEET MSL, INCLUDE
3 A 25-ACRE SUBTITLE D LINED UNIT, AND ALLOW FOR
4 MULTILEVEL PERIMETER GAS PROBES TO BE INSTALLED.
5 AT THIS TIME FINANCIAL ASSURANCES HAVE
6 BEEN FOUND TO BE ADEQUATE; CEQA, AN EIR WAS APPROVED,
7 AND IT'S BEEN CONSIDERED ADEQUATE; LOCAL PLANNING HAS
8 IDENTIFIED IT IN THE SITING ELEMENT; AND PRC 50001 HAS
9 BEEN MET.
10 CURRENTLY THE STATE MINIMUM STANDARD IS
11 THE ONLY ONGOING ISSUE. METHANE GAS HAS BEEN IN EXCESS
12 OF 5 PERCENT AT THE NORTHERN PROPERTY BOUNDARY SINCE
13 2-7-1995. IN MAY 1996 THE LEA ISSUED A NOTICE OF
14 VIOLATION WHICH REQUIRED THE OPERATOR TO SUBMIT A PLAN
15 BY SEPTEMBER '97. THIS TIME FRAME WAS NOT MET. DURING
16 THIS MONTH'S P&E COMMITTEE, THE COMMITTEE MEMBERS ASKED
17 FOR A NOTICE AND ORDER TO ENSURE COMPLIANCE ON THIS
18 ISSUE. ON MARCH 24, 1998, BOARD STAFF RECEIVED A
19 SIGNED COPY OF A CORRECTIVE ACTION ORDER TO EITHER
20 REMEDIATE THE GAS VIOLATION WITH EITHER INSTALLATION OF
21 A GAS EXTRACTION SYSTEM OR PURCHASE THE PROPERTY ALONG
22 THE NORTHERN BOUNDARY OF THE LANDFILL AND MOVING THE
23 PERMITTED PROPERTY BOUNDARY ONCE THE PROPERTY IS
24 ACQUIRED.
25 MILESTONES THAT ARE INCLUDED IN THAT



1 CORRECTIVE ACTION ORDER IS 10/15/99 WAS EITHER HAVE A
2 GAS EXTRACTION PLAN IN PLACE OR HAVE THE PROPERTY
3 PURCHASED. THERE IS A CAVEAT IN WHICH THAT IF THE LAND
4 IS PURCHASED PRIOR TO OCTOBER 15, 1999, THAT WITHIN 90
5 DAYS, THE OPERATOR WILL SUBMIT AN RFI AMENDMENT TO
6 REVISE THE PERMIT AND INCLUDE THAT PROPERTY AS PART OF
7 THE PROPERTY BOUNDARY.
8 JUST TO GO OVER SOME HISTORY OF THE
9 BOARD, IN 1994 THE BOARD ADOPTED A POLICY WHICH ALLOWS
10 THE BOARD TO CONCUR IN THE ISSUANCE OF A SOLID WASTE
11 FACILITY PERMIT WHERE A LONG-TERM GAS VIOLATION EXISTS
12 AND IF BOARD STAFF CAN MAKE THE THREE FOLLOWING
13 FINDINGS: FIRST, THE LEA HAS PREPARED AN ENFORCEMENT
14 ORDER IDENTIFYING THE ELEMENTS TO BE COMPLETED IN ORDER
15 TO ACHIEVE COMPLIANCE BY A SPECIFIED DATE. A
16 CORRECTIVE ORDER WAS ISSUED YESTERDAY.
17 SECONDLY, THE OPERATOR HAS SUBMITTED AN
18 INTERIM GAS CONTROL PLAN THAT DETAILS THE PROBLEM AND
19 HOW THE PROBLEM/VIOLATION IS GOING TO BE CORRECTED. IN
20 THIS CASE THE CORRECTIVE ACTION ORDER LAYS OUT A PLAN.
21 THIRDLY, THE OPERATOR-OWNER IS MAKING
22 GOOD FAITH EFFORT TO COMPLY WITH THE ENFORCEMENT ORDER
23 AND/OR FOLLOWING AN ACCEPTABLE INTERIM GAS CONTROL PLAN
24 TO CORRECT THE VIOLATION.
25 THE BOARD STAFF BELIEVES THE EFFORTS HAVE



1 BEEN MADE BY THE COUNTY SINCE THE P&E COMMITTEE LAST
2 WEEK. AT THIS TIME STAFF RECOMMENDS THE BOARD CONCUR
3 IN THE ISSUANCE OF THE PROPOSED PERMIT 24-AA-001 FOR
4 THE HIGHWAY 59 LANDFILL. THAT CONCLUDES BOARD STAFF'S
5 PRESENTATION. MYSELF OR THE LEA, WHO IS HERE NEXT TO
6 ME, CAN ANSWER ANY QUESTIONS YOU MAY HAVE. THE
7 OPERATOR IS ALSO HERE.

8 CHAIRMAN PENNINGTON: QUESTIONS?

9 BOARD MEMBER FRAZEE: COMMENT, MR. CHAIRMAN.
10 THIS CERTAINLY ACCOMPLISHES WHAT I HAD SUGGESTED WHEN
11 THIS PERMIT CAME BEFORE THE COMMITTEE. I WOULD MAKE
12 THE COMMENT THAT I THINK THE CORRECTIVE ACTION ORDER IS
13 LITTLE ON THE GENEROUS SIDE IN TERMS OF COMPLIANCE
14 DATES, BUT I'M, AS ONE MEMBER OF THIS BOARD, WILLING TO
15 GO ALONG WITH THEM, BUT I THINK I WOULD HAVE PREFERRED
16 TO SEE THEM A LITTLE TIGHTER, BUT THERE ARE SOME
17 MITIGATING CIRCUMSTANCES IN THIS PERMIT APPLICATION.
18 FIRST OF ALL, THE OFFENDING GAS WELL IS
19 THREE AND A HALF MILES FROM THE NEAREST RESIDENCE, AS I
20 UNDERSTAND, AND THE FACT THAT THIS NOTICE AND ORDER
21 WILL, IN EFFECT, WITHOUT ISSUING THE PERMIT, THE NET
22 RESULT WOULD HAVE BEEN A NOTICE AND ORDER OR CLEAR-CUT
23 VIOLATIONS ON SOME OTHER MATTERS THAT ARE CLEARED UP BY
24 THE PERMIT. SO IT WAS A BIT OF A TRADE-OFF FOR ME, BUT
25 I THINK THIS IS AN EQUITABLE SOLUTION AND I'M WILLING



1 TO GO ALONG WITH IT.

2 CHAIRMAN PENNINGTON: ANY OTHER DISCUSSION OR
3 QUESTIONS?

4 BOARD MEMBER JONES: MR. CHAIRMAN, I ALSO
5 AM -- I AGREE WITH MR. FRAZEE. I THINK THAT THIS
6 WAS -- IS AN IMPORTANT ISSUE TO MAKE SURE THAT WE
7 CONTINUE TO MAKE SURE THAT OUR STATE MINIMUM STANDARDS
8 ARE UPHELD. AND YOU HAVE SPEAKERS ON THIS?

9 CHAIRMAN PENNINGTON: I HAVE ONE SPEAKER THAT
10 SAID IF QUESTIONS FOR THE OPERATOR.

11 BOARD MEMBER JONES: SO IF I WANTED TO MAKE A
12 MOTION.

13 CHAIRMAN PENNINGTON: CERTAINLY. GO AHEAD.

14 BOARD MEMBER JONES: MR. CHAIRMAN, I'LL MAKE A
15 MOTION THAT WE ADOPT RESOLUTION 98-83, CONSIDERATION OF
16 THE REVISED SOLID WASTE FACILITY PERMIT FOR THE HIGHWAY
17 59 LANDFILL IN MERCED COUNTY.

18 BOARD MEMBER FRAZEE: SECOND.

19 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN MOVED
20 BY MR. JONES AND SECONDED BY MR. FRAZEE. ANY FURTHER
21 DISCUSSION? IF THERE BEING NONE, WILL THE SECRETARY
22 CALL THE ROLL, PLEASE.

23 THE SECRETARY: BOARD MEMBER AMODIO.

24 BOARD MEMBER AMODIO: ABSTAIN.

25 THE SECRETARY: CHESBRO.



1 BOARD MEMBER CHESBRO: AYE.
2 THE SECRETARY: EATON.
3 BOARD MEMBER EATON: AYE.
4 THE SECRETARY: FRAZEE.
5 BOARD MEMBER FRAZEE: AYE.
6 THE SECRETARY: JONES.
7 BOARD MEMBER JONES: AYE.
8 THE SECRETARY: CHAIRMAN PENNINGTON.
9 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.
10 MOVE TO ITEM NO. 8, CONSIDERATION OF
11 OPTIONS TO ALLOCATE 25,000 OF UNOBLIGATED IWMA
12 EXPENDITURE AUTHORITY. MR. FRITH.
13 MR. FRITH: WELL, THANK YOU AND GOOD MORNING,
14 MR. CHAIRMAN, MEMBERS O THE BOARD. JOHN FRITH WITH
15 THE PUBLIC AFFAIRS OFFICE AND KARIN FISH FROM THE
16 ADMINISTRATION AND FINANCE DIVISION HERE TO PRESENT
17 ITEM 8, CONSIDERATION OF OPTIONS TO ALLOCATE \$25,000 OF
18 UNOBLIGATED IWMA EXPENDITURE AUTHORITY.
19 YOU WILL RECALL THAT AT THE FEBRUARY 11TH
20 MEETING, THE BOARD AWARDED \$30,000 IN SPONSORSHIP
21 FUNDING, AND AT THAT MEETING ANOTHER \$25,000 WAS
22 IDENTIFIED AS POTENTIAL SPONSORSHIP FUNDS. THE BOARD
23 DIRECTED STAFF TO RETURN TO THE ADMINISTRATION
24 COMMITTEE IN MARCH WITH POSSIBLE USES FOR THAT MONEY.
25 THE COMMITTEE MET ON MARCH 3D AND



1 RECOMMENDED USING \$7,000 TO AUGMENT FUNDING FOR A
2 STUDENT ASSISTANT IN THE WASTE PREVENTION AND MARKET
3 DEVELOPMENT DIVISION AND TO ALLOCATE THE REMAINING
4 \$18,000 FOR SPONSORSHIP. THE COMMITTEE DIRECTED STAFF
5 TO PREPARE THIS AGENDA AND TO CONSIDER MAKING THESE
6 FUNDS AVAILABLE. IN ADDITION, I CAN TELL YOU THAT ONE
7 OF YOUR PREVIOUS AWARDEES, GREEN CLIPS, BILLED THE
8 BOARD \$75 LESS THAN WHAT YOU HAD ALLOCATED, WHICH MEANS
9 THAT THERE'S \$75 MORE AVAILABLE THAN WHAT WE HAD
10 ANTICIPATED.
11 SO THE STAFF RECOMMENDATION, BASED ON THE
12 DIRECTION OF THE ADMINISTRATION COMMITTEE, IS TO
13 AUGMENT STUDENT ASSISTANT ACCOUNT BY \$7,000. AND
14 BECAUSE THE COMMITTEE BASICALLY DIRECTED US NOT TO
15 PREPARE A FULL STAFF ANALYSIS, WE DID NOT GO THROUGH
16 AND RATE AND RANK THESE REQUESTS THAT ARE STILL
17 PENDING. HOWEVER, THE COMMITTEE AT ITS OR THE BOARD,
18 RATHER, AT ITS PREVIOUS MEETING ONLY AWARDED \$5,000 TO
19 KCBS RADIO FOR ITS TRASH TALK PROGRAM. AND
20 UNFORTUNATELY, THE STATION'S MINIMUM FOR THE KIND OF
21 ADVERTISING EFFORT WHERE WE WOULD HAVE A 60-SECOND SPOT
22 IN ADDITION TO WHATEVER MENTIONS WE MIGHT GET IN THE
23 PROGRAM, THEY DO REQUIRE A \$7500 MINIMUM FOR THAT.
24 SO BASED ON THE PREVIOUS STAFF
25 RECOMMENDATION, WE ARE RECOMMENDING THAT THE BOARD DOES



1 ALLOCATE AN ADDITIONAL \$2,500 TO KCBS, WHICH WOULD MEAN
2 \$15,575 WOULD STILL BE AVAILABLE.
3 I DON'T WANT TO TAKE YOUR TIME TO GO OVER
4 ALL OF THE REQUESTS THAT ARE STILL PENDING. HOWEVER,
5 DO THINK THAT WE SHOULD MENTION TWO OF THEM BECAUSE
6 THEY REALLY WEREN'T PART OF YOUR LAST AGENDA ITEM
7 ALTHOUGH BOTH OF THEM WERE MENTIONED AT THAT TIME AS
8 HAVING INFORMALLY INDICATED A DESIRE FOR FUNDING. THE
9 FIRST ONE IS SECOND CHANCE WEEK, WHICH IS SPONSORED BY
10 THE LOCAL GOVERNMENT COMMISSION. THE FIRST SECOND
11 CHANCE WEEK WAS HELD LAST OCTOBER, AND IT RESULTED IN
12 85 ORGANIZATIONS HOLDING 115 REUSE ACTIVITIES, WHICH
13 ITS ORGANIZERS CLAIM ATTRACTED ABOUT 20,000
• 14 PARTICIPANTS AND DIVERTED AT LEAST 182,000 POUNDS OF
15 REUSABLE GOODS AND MATERIALS. THEY WILL HAVE ANOTHER
16 EVENT IN THIS OCTOBER AND ARE REQUESTING \$10,000. FOR
17 THAT THE BOARD WOULD RECEIVE ITS NAME AND LOGO ON ALL
18 MATERIALS, INFORMATION ABOUT BOARD PROGRAMS INCLUDED IN
19 ITS PLANNING GUIDE BOOK, A LINK TO OUR WEB SITE, AND
20 ACCESS TO DATA AND MEASUREMENT TOOLS.
21 THE EXECUTIVE DIRECTOR OF THE LOCAL
22 GOVERNMENT COMMISSION INFORMED US, THAT IN HIS WORDS,
23 IT'S POSSIBLE THAT WITHOUT IMMEDIATE BOARD FUNDING THE
24 EVENT WILL NOT BE HELD BECAUSE EXISTING FUNDS FROM LAST
25 YEAR'S U.S. EPA GRANT ARE ALMOST EXHAUSTED; AND



1 ALTHOUGH THEY'RE ANTICIPATING U.S. EPA FUNDING FOR THE
2 NEXT FISCAL YEAR, THAT MONEY, OF COURSE, WON'T BE
3 AVAILABLE TILL LATER IN THE YEAR.
4 THE SECOND REQUEST THAT WASN'T REALLY
5 PRESENTED TO YOU THE LAST TIME IS FROM THE CENTER FOR
6 ENVIRONMENTAL ECONOMIC DEVELOPMENT IN ARCATA. CEED IS
7 IN ITS THIRD YEAR OF CONDUCTING TRAINING AND RECYCLING
8 DEVELOPMENT FOR NONPROFIT GROUPS INVOLVED IN REUSE,
9 SALVAGE, MANUFACTURING, RECYCLING, AND OTHER
10 ACTIVITIES. THEY ARE REQUESTING \$2,000 TO HELP PAY FOR
11 WHAT THEY CONSIDER TO BE AN INTENSIVE THREE-DAY
12 TRAINING PROGRAM. THE DATE IS NOT YET SET FOR THAT,
13 AND A WORKSHOP WILL BE DONE IN CONJUNCTION WITH THE
14 NATIONAL DEVELOPMENT CORPORATION.
15 THAT DOES CONCLUDE STAFF'S PRESENTATION.
16 WE'D BE HAPPY TO ANSWER ANY QUESTIONS.

17 CHAIRMAN PENNINGTON: OKAY. QUESTIONS OF
18 STAFF? OKAY. MR. CHUCK WHITE WOULD LIKE TO --

19 BOARD MEMBER EATON: YEAH, I HAVE ONE. I
20 DON'T REMEMBER US IN THE COMMITTEE SPEAKING WITH REGARD
21 TO THE LAST TWO ITEMS WITH REGARD TO THE 15,075, EITHER
22 THE CEED OR THE SECOND CHANCE WEEK. IT WAS JUST A
23 REFERENCE TO IT. IS THAT NEW?

24 MR. FRITH: AS I MENTIONED AT THE FEBRUARY, I
25 THINK IT WAS, BOARD MEETING, I MENTIONED THAT THEY HAD,



1 AFTER OUR STAFF INTERNAL DEADLINE, HAD CALLED US AND
2 SAID THAT THEY WERE INTERESTED IN SOME OF THE FUNDING,
3 AND WE MENTIONED IT ORALLY AT THAT POINT. SUBSEQUENT
4 TO THE ADMINISTRATION COMMITTEE MEETING, I DID CALL
5 BOTH OF THEM TO LET THEM KNOW THAT THIS FUNDING WAS
6 AVAILABLE SINCE THEY HAD EXPRESSED AN INTEREST.

7 BOARD MEMBER CHESBRO: WHAT ARE THE TIME
8 FRAMES FOR THESE TWO, THE SECOND CHANCE WEEK AND THE
9 CEED?

10 MR. FRITH: WELL, SECOND CHANCE WEEK WILL BE
11 IN OCTOBER AS IT WAS LAST YEAR. AS WITH MOST OF THESE
12 ORGANIZATIONS, THEY, OF COURSE, WOULD LIKE THE MONEY
13 SOONER RATHER THAN LATER. AND IN THE CASE OF THE LOCAL
14 GOVERNMENT COMMISSION, THEY DID INDICATE, AS I SAID,
15 THAT, YOU KNOW, IT WAS POSSIBLE, IN THEIR WORDS, THAT
16 WITHOUT THIS FUNDING, THEY WOULDN'T BE ABLE TO CONTINUE
17 ITS OPERATION.

18 AS FAR AS CEED, THEY DO NOT HAVE A DATE
19 SET FOR THIS WORKSHOP THAT THEY'RE PLANNING. PART OF
20 THE REASON IS THEY DON'T HAVE FUNDING YET.

21 BOARD MEMBER CHESBRO: DID THEY GIVE YOU A
22 RANGE OF WHEN THEY'D LIKE TO DO IT?

23 MR. FRITH: NO.

24 BOARD MEMBER CHESBRO: NO IDEA AT ALL. OKAY.

25 THANK YOU.



1 BOARD MEMBER JONES: CAN I ASK A QUESTION?
2 ARE YOU AWARE OF THIS, MR. CHESBRO? ARE YOU AWARE OF
3 THIS ACTIVITY UP THERE?

4 BOARD MEMBER CHESBRO: I'M FAMILIAR WITH CEED,
5 BUT THIS IS THE FIRST THAT I'D HEARD THAT THEY HAD A
6 REQUEST TO THE BOARD. I'VE HAD NO CONTACT WITH THEM
7 ABOUT IT OR WAS NOT AWARE OF IT UNTIL IT JUST GOT
8 MENTIONED.

9 BOARD MEMBER JONES: I JUST WANTED TO KNOW
10 BECAUSE IT SEEMED OKAY. I JUST WANTED TO KNOW WHAT IT,
11 YOU KNOW.

12 CHAIRMAN PENNINGTON: OKAY. MR. CHUCK WHITE.

13 MR. WHITE: THANK YOU, MR. CHAIRMAN, MEMBERS
14 OF THE BOARD. CHUCK WHITE WITH WASTE MANAGEMENT. I'M
15 JUST HERE BRIEFLY TO SPEAK IN SUPPORT OF PROVIDING
16 ADDITIONAL FUNDING FOR AMERICA RECYCLES DAY. AMERICA
17 RECYCLES DAY IS A GRASS ROOTS OUTREACH THROUGH LOCAL
18 GOVERNMENT TO ENCOURAGE CONSUMERS TO BOTH RECYCLE AND
19 TO BUY RECYCLED. IT'S REALLY AN EFFECTIVE PROGRAM FROM
20 OUR EXPERIENCE. THOSE COMMUNITIES THAT WE PROVIDE
21 SERVICE IN, AFTER AMERICA RECYCLES DAY, WE SEE AS MUCH
22 AS 10- TO 15-PERCENT INCREASE IN RECYCLING RATES.
23 THERE'S VERY FEW PROGRAMS THAT WE'RE AWARE OF THAT CAN
24 DEMONSTRATE THAT KIND OF PROVEN TRACK RECORD TO HELP
25 LOCAL JURISDICTIONS ATTAIN THE GOALS OF AB 939.



1 WITH ADDITIONAL FUNDING, WE BELIEVE THAT
2 THE AMERICA RECYCLES DAY WOULD BE ABLE TO EXPAND AND
3 SPEND MORE FOCUS ON THE BUY RECYCLED, EXPAND TO OTHER
4 CITIES AND JURISDICTIONS IN CALIFORNIA, EXPAND FROM
5 A -- BEYOND A SINGLE DAY OR WEEK EVENT TO MORE OF AN
6 ONGOING ANNUAL EVENT, AND HOPEFULLY WE'D LIKE TO SEE AN
7 EXPANDED ROLE OF THE WASTE BOARD IN A LEADERSHIP
8 POSITION WITH THE AMERICA RECYCLES DAYS.
9 JIM KUHL, WHO COULDN'T BE HERE FROM THE
10 CITY OF LONG BEACH, WHOM I'M SURE ALL OF YOU KNOW, DID
11 ALSO WANT ME TO ASK THAT -- INDICATE HIS STRONG SUPPORT
12 AND LOOKING FOR THE BOARD NOT ONLY TO CONTRIBUTE AS
13 MUCH AS YOU CAN FINANCIALLY, BUT ALSO TO DISTRIBUTE
14 YOUR DIRECT RESOURCES A BOARD MEMBERS AND STAFF TO THE
15 EXTENT YOU'RE ABLE TO KEEP THIS PROGRAM GROWING AND
16 EXPANDING.
17 MARK LEARY ALSO WITH BFI HAD TO LEAVE,
18 BUT HE ALSO INDICATED BFI IS A NATIONAL SPONSOR OF
19 AMERICA RECYCLES DAY AND WOULD BE VERY MUCH INTERESTED
20 IN SEEING THE BOARD MAXIMIZE YOUR SUPPORT FOR THIS VERY
21 IMPORTANT PROGRAM THAT IS CONSISTENT, WE BELIEVE, WITH
22 YOUR GOALS. THANK YOU VERY MUCH.
23 CHAIRMAN PENNINGTON: THANK YOU, MR. WHITE.
24 ANY QUESTIONS OF MR. WHITE? OKAY. NOW WE'LL HEAR FROM
25 RICK BEST.



1 MR. BEST: THANK YOU, MR. CHAIRMAN AND BOARD
2 MEMBERS. RICK BEST WITH CALIFORNIANS AGAINST WASTE,
3 AND I JUST WANT TO ECHO THE COMMENTS OF MR. WHITE IN
4 SUPPORT OF AMERICA RECYCLES DAY. I KNOW THAT THE BOARD
5 HAD CONSIDERED FUNDING FOR THIS PAST YEAR AND -- BUT
6 WASN'T ABLE TO DO SO. I THINK THE SECOND YEAR OF
7 AMERICA RECYCLES DAY IS CERTAINLY GOING TO, I THINK, BE
8 BIGGER AND BETTER. WE'VE SEEN TREMENDOUS SUPPORT FROM
9 THE PUBLIC AND LOCAL GOVERNMENTS, THE RECYCLING
10 COMMUNITY, YOU KNOW, FOR DEMONSTRATING THE PUBLIC
11 SUPPORT. AND I THINK HAVING AN INCREASED BOARD ROLE,
12 PARTICULARLY WITH YOUR CONNECTIONS WITH LOCAL
13 GOVERNMENTS THROUGH THE LOCAL PLANNING PROCESS AND ALL,
14 I THINK IT WOULD BE AN EXCELLENT OPPORTUNITY TO TRY AND
15 COORDINATE BETTER EFFORTS IN PROMOTING AMERICA RECYCLES
16 DAY. SO WOULD CERTAINLY URGE THE BOARD TO GET INVOLVED
17 THIS YEAR. THANK YOU.

18 CHAIRMAN PENNINGTON: OKAY. THANK YOU, MR.
19 BEST.

20 CHAIR WOULD LIKE TO MAKE A MOTION THAT
21 THE FOLLOWING: \$7,000 TO THE WASTE PREVENTION AND
22 MARKET DEVELOPMENT STUDENT ASSISTANT; 5,000 TO KCBS
23 RADIO TRASH TALK PROGRAM; 2,000 TO CEED TRAINING;
24 10,000 TO AMERICA RECYCLES DAY; 1075 TO NATIONAL
25 MARKETPLACE FOR THE ENVIRONMENT BOOTH COST.



1 BOARD MEMBER CHESBRO: SLOW DOWN. WHAT WAS THE
2 LAST ONE AGAIN? I'M SORRY.

3 CHAIRMAN PENNINGTON: NATIONAL MARKETPLACE FOR
4 THE ENVIRONMENT BOOTH COST.

5 BOARD MEMBER CHESBRO: WHAT WAS THE DOLLAR
6 AMOUNT?

7 CHAIRMAN PENNINGTON: \$1,075. THAT'S A TOTAL
8 OF 25,075. I WOULD NOT MAKE IT A PART OF THE MOTION,
9 BUT I WOULD SAY THAT, AS FAR AS AMERICA RECYCLES DAY IS
10 CONCERNED, IF WE HAVE ANY MONEY OUT OF NEXT YEAR'S
11 BUDGET THAT WE CAN IDENTIFY EARLY ON, I WOULD CERTAINLY
12 SUPPORT THAT TOO. BUT THAT DOES BRING US TO 20,000 FOR
13 AMERICA RECYCLES AND TEN FOR KCBS RADIO TRASH TALK.
14 THAT'S MY MOTION.

15 BOARD MEMBER EATON: MR. CHAIR, PRIOR TO
16 VOTING ON THE MOTION, I'M WONDERING WHY WE WOULD ADD
17 ANOTHER \$2500 TO KCBS WHEN THEY'RE ONLY ASKING FOR 2500
18 TO MAKE THEM WHOLE. AND IN ADDITION, THE FISCAL
19 INTEGRITY OF A PROGRAM, WHICH WE'RE NOT SURE CAN EVEN
20 GET OFF THE GROUND, THAT WE WOULD BE ALLOCATING MONEY
21 TO, WHICH WOULD BE THE SECOND CHANCE WEEK, SEEMS TO ME
22 TO BE SOMETHING THAT WE NEED TO HAVE MORE INFORMATION
23 BEFORE WE ALLOCATE MONEY TO THEM, THAT THEY'RE ACTUALLY
24 GOING TO BE ABLE TO GO FORWARD. SOME OF THESE PROGRAMS
25 ARE A MATCH, AS WE'VE DONE WITH AMERICA RECYCLES AND SO



1 FORTH. I THINK THOSE TWO ITEMS AT LEAST NEED TO BE --
2 WE NEED TO BE CONCERNED ABOUT WITH REGARD TO GIVING
3 MORE THAN IS ACTUALLY NECESSARY, ESPECIALLY SINCE WE
4 HAVE LIMITED FUNDS.

5 CHAIRMAN PENNINGTON: FIRST, I NEED TO GET A
6 SECOND FOR MY MOTION.

7 BOARD MEMBER JONES: I'LL SECOND THAT MOTION.

8 CHAIRMAN PENNINGTON: OKAY. TO RESPOND TO THE
9 QUESTION ABOUT WHY WE'RE DOING 10,000 INSTEAD OF 7500
10 FOR THE TRASH TALK, IT MEANS THAT WE GET A GREAT DEAL
11 MORE OUT OF TRASH TALK IN TERMS OF ADVERTISING SPACE
12 AND GETTING OUR MESSAGE OUT AND OVER THAT RADIO
13 PROGRAM.

14 BOARD MEMBER EATON: IN WHICH CASE, I'D LIKE
15 TO OFFER A SUBSTITUTE MOTION.

16 CHAIRMAN PENNINGTON: OKAY.

17 BOARD MEMBER EATON: SUBSTITUTE MOTION WOULD
18 BE THAT WE WOULD ALLOCATE THE \$7,000 FUNDS FOR THE
19 STUDENT ASSISTANTS, THAT WE WOULD ALLOCATE \$2500 FOR
20 THE KCBS, THAT WE WOULD ALLOCATE AN ADDITIONAL \$10,000
21 TO AMERICA RECYCLES, AND THAT WE WOULD PROVIDE THE
22 REMAINDER FOR THE CENTER FOR ENVIRONMENTAL DEVELOPMENT
23 OF ARCATA.

24 BOARD MEMBER CHESBRO: I WILL SECOND THAT.

25 CHAIRMAN PENNINGTON: YEAH. I NEED AN



1 EXPLANATION. WHEN YOU SAY THE REMAINDER, ARE YOU

2 SAYING --

3 BOARD MEMBER EATON: REMAINDER OF THE 25,000,
4 IF AFTER TAKING THE 10,000, THE 7,000, AND THE 2500,
5 THAT'S 19,500, CORRECT?

6 CHAIRMAN PENNINGTON: CORRECT.

7 BOARD MEMBER EATON: AND THEN THE REMAINDER
8 COULD THEN -- THE 2,000 THEN WOULD GO TO CENTER FOR
9 ECONOMIC DEVELOPMENT, 21,500, LEAVING APPROXIMATELY
10 \$3500 AS A REMAINDER.

11 BOARD MEMBER JONES: TO GO WHERE?

12 BOARD MEMBER EATON: AND I WOULD APPLY THAT TO
13 THE LAST ITEM, WHICH WAS THE NATIONAL MARKETPLACE.

14 CHAIRMAN PENNINGTON: SO --

15 BOARD MEMBER JONES: I KNOW YOU DON'T HAVE A
16 SECOND, BUT I WANT TO ASK A QUESTION. DID YOU GET A
17 SECOND?

18 CHAIRMAN PENNINGTON: MR. CHESBRO SECONDED.

19 BOARD MEMBER JONES: THE CEED WAS IN THE
20 ORIGINAL MOTION FOR 2,000. THE 1075 WAS IN THE
21 ORIGINAL MOTION FOR THE NATIONAL MARKETPLACE. SO WHAT
22 YOU'RE LOOKING AT DOING IS TAKING \$2500 AWAY FROM KCBS
23 AND PUTTING IT WHERE?

24 BOARD MEMBER EATON: ACTUALLY IN THE NATIONAL
25 MARKETPLACE.



1 BOARD MEMBER JONES: SO RAISE THAT, THEN, TO
2 3,575?

3 BOARD MEMBER EATON: RIGHT. BECAUSE KCBS ONLY
4 ASKED FOR 2500. IT IS A LIMITED MARKET IN TERMS OF OUR
5 ADVERTISING, IS IT NOT?

6 BOARD MEMBER JONES: IT'S ALL UP AND DOWN THE
7 BAY AREA. GOES ALL THE WAY DOWN THROUGH THE SAN JOSE,
8 DOWN TOWARDS GILROY, COMES UP AS FAR AS SACRAMENTO. I
9 GET KCBS.

10 CHAIRMAN PENNINGTON: IN ADDITION, THEY ASKED
11 FOR 15.

12 BOARD MEMBER JONES: THEY ASKED ORIGINALLY FOR
13 15. YOU KNOW, BECAUSE THE KCBS, WHAT I LIKE ABOUT THE
14 KCBS IS THAT WE GET A MINUTE SPOT AFTER THEY'RE WORKING
15 ON OUR MISSION. SO WE NOT ONLY GET THE MISSION -- I
16 MEAN WE NOT ONLY GET THEIR PART OF IT; WE GET ANOTHER
17 MINUTE TO REINFORCE OUR PART OF IT. IT SEEMS TO ME
18 LIKE THAT'S PRETTY REASONABLE, AND PLUS I'M SPEAKING AT
19 THE NATIONAL MARKETPLACE FOR THE ENVIRONMENT, SO, YOU
20 KNOW, I MEAN I'M NOT AGAINST THAT, BUT I JUST THOUGHT
21 THE 1,075 MADE SENSE.

22 BOARD MEMBER EATON: PERHAPS I MISSPOKE, BUT I
23 TALKED IN TERMS OF GIVING ADDITIONAL FUNDS TO AMERICA
24 RECYCLES, AND I THINK THE RECORD SHOULD REFLECT THAT.

25 BOARD MEMBER JONES: THAT'S THE PART I



1 DIDN'T...

2 BOARD MEMBER EATON: THAT WAS NOT PART OF THE
3 ORIGINAL MOTION.

4 CHAIRMAN PENNINGTON: COULD YOU RUN THROUGH
5 YOUR NUMBERS AGAIN, THEN, MR. EATON, PLEASE?

6 BOARD MEMBER EATON: SURE. 10,000 FOR AMERICA
7 RECYCLES --

8 BOARD MEMBER CHESBRO: IS THAT 10,000 TOTAL,
9 DANNY?

10 BOARD MEMBER EATON: 10,000 ADDITIONAL OUT OF
11 THIS ALLOCATION OF WHAT WE HAVE -- IN ESSENCE, THE
12 DISAGREEMENT IS OVER \$15,075 THAT NEEDS TO BE ALLOCATED
13 TODAY, MY UNDERSTANDING; IS THAT CORRECT? EVERYONE
14 AGREES THAT THE 7,000 SHOULD GO FOR STUDENT ASSISTANCE,
15 CORRECT?

16 CHAIRMAN PENNINGTON: CORRECT.

17 BOARD MEMBER EATON: AND I THINK THAT, AT
18 LEAST STAFF RECOMMENDATION, AND THERE'S SOME
19 DISAGREEMENT HERE, WITH KCBS RADIO SPONSORSHIP OF 2500,
20 SO THAT'S IN DISPUTE. THAT'S AN INCREASE. WHAT'S LEFT
21 IS \$15,575 FOR THIS BOARD TO ALLOCATE. AND I'M
22 ALLOCATING IT AS FOLLOWS: 10,000 TO AMERICA RECYCLES,
23 AND THE 2,000 FOR THE CENTER FOR ENVIRONMENTAL ECONOMIC
24 DEVELOPMENT. THAT WOULD BE 12,000. THE REMAINDER
25 WOULD GO TO THE NATIONAL MARKETPLACE FOR THE



1 ENVIRONMENT. THAT WOULD BRING YOU TO 15,575 AND WOULD
2 INCLUDE, IF YOU WANTED TO GET TO THE 25,575, THE 2500
3 FOR THE RADIO SPONSORSHIP AND THE 7,000 FOR THE STUDENT
4 ASSISTANT ACCOUNT.

5 MR. FRITH: SO THAT'S 3,575 FOR THE NATIONAL
6 MARKETPLACE THEN, MR. EATON?

7 BOARD MEMBER EATON: CORRECT.

8 MR. FRITH: JUST AS A POINT OF CLARIFICATION,
9 WE WERE ESTIMATING THE BOOTH CHARGES, AND THAT, I
10 BELIEVE, IS WHAT CHAIRMAN PENNINGTON'S MOTION WAS
11 BASICALLY TO COVER, OF AROUND \$1500. WOULD YOU
12 ENVISION THE REST OF THIS BEING A STRAIGHT SPONSORSHIP
13 FOR THE ORGANIZATION? WE HAVEN'T CONTACTED THEM
14 RECENTLY. I DON'T KNOW' WHAT THEIR FUNDING DEADLINES
15 WERE, ALTHOUGH I'M SURE THEY WOULD TAKE THE MONEY. IS
16 THAT WHAT YOU HAD IN MIND?

17 BOARD MEMBER EATON: NO. I THINK THAT IF
18 THERE IS ADDITIONAL MONIES THAT ARE LEFT OVER, IF IT'S
19 ONLY 1500 FOR A BOOTH, THEN THE 2,000 ADDITIONAL
20 DOLLARS I WOULD BE GLAD TO ALLOCATE AS A GOOD FAITH
21 EFFORT FOR SECOND CHANCE WEEK. YOU'RE TELLING ME THAT
22 IT ONLY REQUIRES \$1500, AND I'VE ALLOCATED 35, CORRECT?
23 MR. FRITH: YES.

24 BOARD MEMBER EATON: SO I WOULD THEN PUT THAT
25 IN SECOND CHANCE WEEK.



1 MR. FRITH: OKAY.

2 CHAIRMAN PENNINGTON: DID NOT SECOND CHANCE
3 WEEK, THOUGH, INDICATE THAT IF THEY DIDN'T GET THE FULL
4 FUNDING, IT WOULD -- DID I UNDERSTAND THAT?

5 MR. FRITH: WELL, MR. CHRISTIANSON AT FIRST
6 SAID WITHOUT YOUR FUNDING, WITHOUT THE 10,000 THAT
7 WE'RE ASKING FOR, THAT, YOU KNOW, THEY WOULDN'T BE ABLE
8 TO HOLD THE EVENT. AND THEN I TRIED TO PIN HIM DOWN ON
9 THAT. AND THAT'S WHEN HE SAID, "WELL, IT'S POSSIBLE
10 THAT WE WOULDN'T WITHOUT THAT FULL FUNDING BECAUSE
11 THEIR CURRENT YEAR U.S. EPA GRANT WILL BE RUNNING OUT
12 OF MONEY, AND THEY AREN'T EXACTLY SURE WHEN THE NEXT
13 ALLOCATION IS COMING IN. BUT HE DID NOT DEFINITELY
14 STATE THAT THEY WOULD NOT BE ABLE TO OPERATE WITHOUT
15 OUR FUNDING. THEY ARE STILL ASKING FOR A VERY LARGE
16 U.S. EPA GRANT. THEY'RE ALSO TRYING TO DIVERSIFY AND
17 TO GET FUNDING FROM OTHER SOURCES.

18 CHAIRMAN PENNINGTON: THIS IS ALSO AN ACTIVITY
19 THAT WILL OCCUR IN OCTOBER?

20 MR. FRITH: YES, SIR.

21 CHAIRMAN PENNINGTON: OKAY. WE HAVE A
22 SUBSTITUTE MOTION BEFORE US OFFERED BY MR. EATON,
23 SECONDED BY MR. CHESBRO. IS EVERYONE CLEAR ON THE
24 MOTION, ON THE SUBSTITUTE MOTION?

25 THE SECRETARY: COULD I HAVE IT ONE MORE TIME,



1 THE TOTALS? WAS IT 2,075 TO SECOND CHANCE, OR ARE WE
2 JUST NOT SPENDING THAT 75? 1500 TO NATIONAL
3 MARKETPLACE. IS THAT WHAT IT WAS? DANNY, COULD YOU
4 RUN THROUGH THAT?

5 BOARD MEMBER EATON: SURE. WE'D HAVE 7,000
6 FOR THE STUDENT ASSISTANTS; 2500 FOR THE KCBS RADIO
7 SPONSORSHIP; 10,000 FOR AMERICA RECYCLES; 2,000 FOR THE
8 CENTER FOR ENVIRONMENTAL ECONOMIC DEVELOPMENT; AND 1500
9 FOR THE NATIONAL MARKETPLACE FOR THE ENVIRONMENT; AND
10 THE REMAINDER TO GO TO SECOND CHANCE WEEK AS AN INITIAL
11 SEED MONEY.

12 CHAIRMAN PENNINGTON: WHICH WOULD BE 2,000,
13 RIGHT? 2,075. OKAY. IS EVERYONE CLEAR ON THE
14 MOTION? IF THEY ARE, WILL THE SECRETARY CALL THE ROLL.

15 THE SECRETARY: BOARD MEMBER AMODIO.

16 BOARD MEMBER AMODIO: ABSTAIN.

17 THE SECRETARY: CHESBRO.

18 BOARD MEMBER CHESBRO: AYE.

19 THE SECRETARY: EATON.

20 BOARD MEMBER EATON: AYE.

21 THE SECRETARY: FRAZEE.

22 BOARD MEMBER FRAZEE: NO.

23 THE SECRETARY: JONES.

24 BOARD MEMBER JONES: NO.

25 THE SECRETARY: CHAIRMAN PENNINGTON.



1 CHAIRMAN PENNINGTON: NO. MOTION FAILS. NOW
2 WE'LL TAKE UP THE ORIGINAL MOTION, AND I'LL BE GLAD TO
3 GO THROUGH IT AGAIN. 7,000 FOR WASTE PREVENTION AND
4 MARKET DEVELOPMENT STUDENT ASSISTANT, 5,000 FOR KCBS
5 RADIO TRASH TALK, 2,000 FOR CEED TRAINING, 10,000 FOR
6 AMERICA RECYCLES DAY, 1,075 FOR NATIONAL MARKETING FOR
7 THE ENVIRONMENT BOOTH COSTS, FOR A TOTAL OF \$25,075.
8 IF THERE'S NO FURTHER DISCUSSION --

9 BOARD MEMBER FRAZEE: I WOULD LIKE TO MAKE
10 SOME COMMENTS ON THIS ITEM. FIRST OF ALL, I GUESS I
11 HAVE A NATURAL BUILT-IN AVERSION TO WHAT IN MY VIEW
12 BORDERS ON THE GIFT OF PUBLIC FUNDS AND THE WHOLE ISSUE
13 ASSOCIATED WITH THAT. AND I CAN JUSTIFY THIS TO THE
14 EXTENT THAT THERE IS SOME VALUE DERIVED TO OUR GOAL AND
15 OUR STRATEGIC PLAN FROM SOME OF THESE. BUT ONE CONCERN
16 I HAVE IS THAT I DON'T KNOW IF IT'S ADOPTED, BUT WE
17 HAVE A DOCUMENT "PROPOSED PARTNERSHIP CRITERIA." AND I
18 BELIEVE THE ADMIN COMMITTEE ADOPTED THAT, AND NONE OF
19 THESE THAT ARE BEFORE US TODAY, THESE ARE BEING DONE
20 SORT OF WILLY-NILLY WITHOUT BEING WEIGHED AGAINST THAT
21 CRITERIA. I UNDERSTOOD THAT WAS WHAT WE WERE GOING TO
22 DO THIS YEAR AND THE CRITERIA APPLIED FOR SUBSEQUENT
23 YEARS. THAT CAUSES ME SOME CONCERN.
24 AND THEN FINALLY, I'M A LITTLE RELUCTANT
25 TO MENTION THIS BECAUSE I DO HAVE -- HAVE HAD SOME



1 INPUT ON AMERICA RECYCLES DAY AND BELIEVE THERE'S VALUE
2 FROM THAT; BUT AS CAME TO LIGHT YESTERDAY -- WELL, TWO
3 CONCERNS ON THAT. BUT AS CAME TO LIGHT YESTERDAY, AND
4 I THOUGHT IT WAS SORT OF IRONIC THAT MR. KUHL FROM LONG
5 BEACH WAS AROUND PROMOTING THIS, AND IN OUR MEETING
6 YESTERDAY WE LEARNED, OR AT LEAST IT BECAME MORE OPEN
7 KNOWLEDGE, THAT THE CITY OF LONG BEACH IS NOT A
8 CONTRIBUTOR TO THE IWMA. AND THEY ARE ONE OF THE
9 PRINCIPAL USERS OF THESE FUNDS, AND THEY ARE NOT A
10 CONTRIBUTOR TO IWMA BECAUSE THEIR WASTESTREAM GOES
11 THROUGH A TRANSFORMATION PLANT WHERE THEN THE ASH IS
12 TURNED INTO A PRODUCT, SO THERE'S NOT EVEN THE DISPOSAL
13 OF THE ASH TO COLLECT FUNDS ON. SO THAT PART OF IT
14 SORT OF DISTURBS ME A BIT ALSO.
15 SO THAT I'D SAY I'M, I GUESS, SERVING
16 NOTICE THAT I'M GOING TO GO ALONG WITH THIS ONE THIS
17 TIME, BUT I HOPE THAT WE DO A BETTER JOB OF EVALUATING
18 THESE THINGS IN THE FUTURE IN CONTRACTING WITH AGENCIES
19 THAT ARE RECIPIENTS OF THIS MONEY SO THAT WE HAVE SOME
20 ASSURANCE THAT WE'RE GETTING OUR MONEY'S WORTH AND
21 THEY'RE ACCOMPLISHING THE GOALS THAT ARE SET FORTH IN
22 THIS STRATEGIC PLAN.

23 BOARD MEMBER CHESBRO: MR. CHAIRMAN.

24 CHAIRMAN PENNINGTON: YES, MR. CHESBRO.

25 BOARD MEMBER CHESBRO: MR. FRAZEE RAISES A



1 GOOD POINT WITH REGARDS TO HOW WE ARE ACTUALLY SPENDING
2 THESE FUNDS. I'M ASSUMING -- IF THIS ISN'T THE CASE,
3 THINK WE SHOULD INCLUDE IT IN THE MOTION -- I'M
4 ASSUMING THAT EACH ONE OF THESE PEOPLE WILL BE SIGNING
5 SOME KIND OF A CONTRACT WITHIN WHICH IT SPECIFIES
6 DELIVERABLES THAT WE ARE RECEIVING FOR THE FUNDS.
7 BECAUSE THEY'RE NOT BLOCK GRANTS -- UNSTRINGS-ATTACHED
8 BLOCK GRANTS. I PRESUME THEY'RE CONTRACTS IN WHICH THE
9 GOALS OF THE BOARD ARE BEING MET WITH SPECIFIC
10 DELIVERABLES. AND IF THAT'S NOT THE CASE, I THINK WE
11 SHOULD HAVE SOME KIND OF -- I'M NOT TALKING ABOUT --
12 THESE ARE SMALL AMOUNTS OF MONEY, AND I DON'T THINK WE
13 SHOULD OVERMANAGE IT, BUT I DO THINK THAT SOMETHING
14 THAT'S SIGNED THAT SAYS HERE'S WHAT THE BOARD IS GOING
15 TO RECEIVE WHERE THE EXPENDITURE OF MONEY IS AN
16 ESSENTIAL PIECE OF THIS. IS THAT THE CASE?
17 MS. FISH: THEY'RE NOT SPECIFIC STATE
18 CONTRACTS. WHAT THEY ARE IS MORE OF AN AGREEMENT --
19 KARIN FISH, SORRY. BUT WHAT THEY ARE IS MORE OF A --
20 WE RECEIVE A BILLING, AND IT'S MORE OF A DIRECT BILLING
21 FOR A BOOTH FEE OR A BOOTH SPACE WITH AN UNDERSTANDING
22 OF WHAT WILL BE PROVIDED AND THE SERVICES, AS WELL AS A
23 JUSTIFICATION, BUT IT'S NOT A SPECIFIC STATE CONTRACT
24 AS WE NORMALLY ENCUMBER.
25 BOARD MEMBER CHESBRO: BECAUSE OF THE SMALL



1 AMOUNTS, I'D CERTAINLY SETTLE FOR SOMETHING SHORT OF A
2 FULL-BLOWN STATE CONTRACT, BUT I DO THINK THAT THERE
3 NEEDS TO BE AN ACCOUNTABILITY IN TERMS OF WHAT SPECIFIC
4 BENEFIT THE PUBLIC IS RECEIVING FOR THE FUNDS. I THINK
5 MR. FRAZEE HAS A GOOD POINT.

6 MS. FISH: RIGHT. AND THAT IS INCLUDED IN THE
7 JUSTIFICATION AND THE INVOICE OF EXACTLY WHAT WE ARE
8 PURCHASING FOR THAT BOOTH FEE OR WHATEVER THE CASE MAY
9 BE.

10 BOARD MEMBER CHESBRO: AND I WOULD ENCOURAGE
11 SOME MONITORING OF THAT TO MAKE SURE THAT, IN FACT, WE
12 ARE ACHIEVING THE PUBLIC GOOD THAT WE'RE FUNDING.
13 THE OTHER THING WAS I WAS RELIEVED TO
14 HEAR MR. FRAZEE WAS GOING TO SUPPORT IT ANYWAY IN SPITE
15 OF THE LONG BEACH THING BECAUSE I JUST WANTED TO REMIND
16 EVERYONE THAT WHILE HE MAY BE -- CITY OF LONG BEACH MAY
17 BE ONE OF THE ADVOCATES FOR THIS, IT'S A MUCH MORE
18 BROADLY BASED ORGANIZATION. IT'S NOT SIMPLY A LONG
19 BEACH ACTIVITY. SO THERE'S MANY, MANY PARTNERS. AND
20 ONE OF THE REASONS I LIKE THE PROJECT IS BECAUSE WE'RE
21 LEVERAGING OUR MONEY WITH SO MUCH PRIVATE SECTOR
22 SUPPORT AND SO MANY OTHER INTERESTS THAT ARE
23 COSPONSORING THIS. BUT POINT WELL TAKEN, MR. FRAZEE.

24 BOARD MEMBER FRAZEE: MAY I MAKE ONE FINAL
25 POINT ON MY LIST OF THINGS THAT I FORGOT?



1 CHAIRMAN PENNINGTON: CERTAINLY, MR. FRAZEE.

2 BOARD MEMBER FRAZEE: THE ONE THAT PROBABLY
3 GALLS ME THE MOST AND THAT'S THE DEPARTMENT OF
4 CONSERVATION IS NOT A PARTICIPANT IN AMERICA RECYCLES
5 DAY, AS I UNDERSTAND IT. AND THE FIGURES THAT WERE
6 CITED BY MR. WHITE IN THE INCREASES IN RECYCLING THAT
7 OCCURRED FOLLOWING AMERICA RECYCLE DAY, I BET MY BOTTOM
8 DOLLAR THAT THOSE OCCURRED HEAVILY IN THOSE ITEMS THAT
9 HAVE A 2020 FEE ON THEM THAT'S PART OF THE DEPARTMENT
10 CONSERVATION'S OPERATION. SO IF ANYONE OUGHT TO BE
11 PARTICIPATING, THEY'VE BEEN PRETTY GENEROUS IN
12 SPONSORSHIPS OF OTHER KINDS OF ACTIVITIES THAT I
13 THOUGHT WERE A LITTLE QUESTIONABLE, AND IN THIS ONE
14 WHERE THEY REALLY OUGHT TO BE A MAJOR PLAYER, THEY'RE
15 CONSPICUOUSLY ABSENT. SO THAT'S ANOTHER ONE THAT WE
16 SHOULD BE PUTTING SOME PRESSURE ON.

17 BOARD MEMBER EATON: I'D ALSO LIKE TO SAY THAT
18 WHEN ADDITIONAL INFORMATION, WHETHER IT BE FROM LONG
19 BEACH OR LIKE YOU, MR. FRITH, WHO WOULD REQUIRE
20 ADDITIONAL MONEY, THAT YOU BRING THAT TO THE BOARD'S
21 ATTENTION, ESPECIALLY AFTER A COMMITTEE HAS MET. I
22 FIND THAT TO BE SOMEWHAT DISTURBING, THAT WE WOULD HAVE
23 INFORMATION THAT SOME MEMBERS OF THE BOARD HAVE AND
24 OTHER MEMBERS DO NOT HAVE PRIOR TO. I DON'T THINK THAT
25 THAT'S THE WAY THAT BUSINESS OUGHT TO BE DONE IN THIS



1 BOARD, NOR WILL I CONDONE IT.

2 MR. FRITH: FOR THE RECORD, I DID ASK ALL OF

3 THE BOARD OFFICES IF THEY WANTED A BRIEFING ON THIS

4 ITEM AND DID DO SO IN THE CASE OF THE ONE MEMBER WHO

5 DID REQUEST ONE.

6 CHAIRMAN PENNINGTON: OKAY. WE HAVE A MOTION

7 BEFORE US. I THINK IT'S FAIRLY CLEAR, THAT WE ALL

8 UNDERSTAND IT. IF THERE'S NO FURTHER DISCUSSION, WILL

9 THE SECRETARY CALL THE ROLL.

10 THE SECRETARY: BOARD MEMBER AMODIO.

11 BOARD MEMBER AMODIO: ABSTAIN.

12 THE SECRETARY: CHESBRO.

13 BOARD MEMBER CHESBRO: AYE.

14 THE SECRETARY: EATON.

15 BOARD MEMBER EATON: AYE.

16 THE SECRETARY: FRAZEE.

17 BOARD MEMBER FRAZEE: AYE.

18 THE SECRETARY: JONES.

19 BOARD MEMBER JONES: AYE.

20 THE SECRETARY: CHAIRMAN PENNINGTON.

21 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.

22 NOW WE'LL MOVE -- YOU NEED A BREAK?

23 WE'LL TAKE A FIVE-, TEN-MINUTE BREAK. HOWEVER, I'M

24 ALSO SUPPOSED TO ANNOUNCE THAT IF ANYBODY NEEDS ANY

25 GOODIES, THERE'S A BAKE SALE GOING ON ON THE THIRD



1 FLOOR.

2 (RECESS TAKEN.)

3 CHAIRMAN PENNINGTON: WE NEED TO GET BACK TO
4 ORDER HERE. OKAY. NEXT ITEM UP IS ITEM NO. 20, UPDATE
5 ON THE BOARD'S PROJECT RECYCLE PROGRAM. PRESENTATION
6 BY JUDY FRIEDMAN.

7 BOARD MEMBER EATON: MR. CHAIRMAN, I'D LIKE TO
8 REPORT JUST ONE EX PARTE COMMUNICATION I HAD WITH MR.
9 LANCE HASTINGS JUST REGARDING AN ITEM ON TODAY'S
10 AGENDA, THE RPPC.

11 MS. FRIEDMAN: GOOD MORNING, CHAIRMAN
12 PENNINGTON AND BOARD MEMBERS. THIS ITEM WILL BE
13 PRESENTED BY PHIL MORALEZ FOR STAFF.

14 MR. MORALE: GOOD MORNING, CHAIRMAN
15 PENNINGTON AND BOARD MEMBERS. JUST BRIEFLY UPDATING
16 EVERYONE ON THE PROJECT RECYCLE PROGRAM. JUST FROM A
17 HISTORICAL PERSPECTIVE, IN 1989 WHEN THE BOARD TOOK
18 OVER THE PROGRAM, WE HAD A HUNDRED FIFTY SITES
19 REPORTING APPROXIMATELY 2100 TONS OF MATERIAL
20 ANNUALLY. BY 1994 WE HAD 728 SITES REPORTING 23,000
21 TONS REPORTED ANNUALLY. AT THE END OF 1997, WE HAD
22 OVER 1100 SITES, AND THE REPORTED AMOUNT OF MATERIAL
23 BEING RECYCLED WAS OVER 31,000 TONS ANNUALLY.
24 NOW, ONE OF THE INTERESTING COMMENTS, OF
25 COURSE, IN THE LEA REPORT DEALT WITH THE REPORTING



1 REQUIREMENTS AS IT RELATES TO WHAT'S BEING REPORTED.

2 INTERESTING TO NOTE THAT THERE ARE THOUSANDS OF STATE

3 SITES THAT -- WHERE PROGRAMS MAY VERY WELL EXIST, BUT

4 ARE NOT REPORTED FOR A LOT OF DIFFERENT REASONS. ONE

5 OF THEM IS THAT THE INFORMATION WE RECEIVE REALLY COMES

6 IN THREE FORMS.

7 ONE IS THROUGH CONTRACTS. WE HAVE

8 CONTRACTORS THAT PROVIDE SERVICES TO SOME OF OUR LARGER

9 ACCOUNTS AND LARGER STATE FACILITIES, AND THEY'RE ABLE

10 TO REPORT TO US A TOTAL AMOUNT OF MATERIAL THAT'S

11 RECOVERED.

12 THE SECOND WAY IN WHICH INFORMATION IS

13 REPORTED TO US COMES FROM THE DEPARTMENTS THEMSELVES,

14 WHO PROVIDE INFORMATION ON A QUARTERLY BASIS IN TERMS

15 OF WHAT THEY HAVE RECYCLED AND WHAT THEY HAVE

16 RECOVERED.

17 AND THE THIRD WAY IS THROUGH A THIRD

18 PARTY, WHICH IS USUALLY SUCH AS A SHELTERED WORKSHOP OR

19 THE LOCAL CONSERVATION CORPS THAT MAY BE PROVIDING A

20 SERVICE TO A STATE OFFICE THAT MAY BE VERY SMALL IN

21 SIZE, HAS LESS THAN A HUNDRED EMPLOYEES, AND OFTEN IN A

22 REMOTE AREA WHERE PERHAPS IT'S NOT FEASIBLE FOR A

23 CONTRACTOR TO PROVIDE THAT LEVEL OF SERVICE. AND WE

24 GET THAT INFORMATION. AND THEN OCCASIONALLY, BECAUSE

25 OF THE REMOTENESS AND BECAUSE OF THE SIZE OF THE



1 OFFICE, SOMETIMES IT'S JUST NOT A PRIORITY FOR THEM IN
2 TERMS OF STAFFING RESOURCES TO SEND US A QUARTERLY
3 REPORT, BUT WE DO KNOW THAT THEY ARE DOING SOME LEVEL
4 OF DIVERSION AND RECYCLING IN THOSE AREAS.
5 THEN THERE ARE THE LARGER DEPARTMENTS,
6 SUCH AS THE STATE DESTRUCTION CENTERS, THAT ARE NOT
7 PART OF THE PROGRAM BECAUSE THEIR INFORMATION IS
8 CONFIDENTIAL, AND THEY DO OVER 3,000 TONS A YEAR OF
9 MATERIAL THAT'S RECYCLED, BUT IS CONFIDENTIAL SHREDDED
10 DOCUMENTS. SO IT'S DIFFICULT IN SOME WAYS TO LOOK AT
11 THE NUMBERS AND SAY THIS IS WHAT THE STATE IS DOING;
12 BUT, IN FACT, WHAT WE DO SEE IS AN INCREASE IN BOTH THE
13 AMOUNT OF MATERIALS. WE SEE A QUANTITY OF MATERIALS.
14 THE PROGRAM WAS INITIALLY SET UP TO DO WHITE OFFICE
15 PAPER. IT IS EXPANDED TO MULTIPLE TYPES OF MATERIALS.
16 ONE OF THE CURRENT THINGS THAT WE ARE
17 DOING HAS BEEN TO EXPAND THE CONTRACT TYPES THAT WE USE
18 FOR COLLECTIONS. FOR EXAMPLE, OUR -- JUST OUR WHITE
19 OFFICE AND PAPER RECOVERY PROGRAM HERE IN SACRAMENTO
20 DEALING WITH THE LARGER OFFICES, WHAT WE CALL OUR DOCK
21 LEVEL CONTRACT, IN THE NEXT YEAR WE WILL HAVE RECEIVED
22 OVER \$350,000 IN REVENUE BASED ON THE VALUE OF THE
23 MATERIALS OVER THAT PERIOD OF TIME. THAT MONEY IS USED
24 TO OFFSET COSTS TO OPERATE THE PROGRAMS IN PROVIDING
25 CONTAINERS AND SO FORTH TO KEEP THE PROGRAM ONGOING.



1 WE HAVE OTHER CONTRACTS THAT ARE WHAT WE
2 CALL FLAT RATE CONTRACTS IN AREAS WHERE MAYBE THE
3 MATERIALS AREN'T -- OFFICES AREN'T LARGE ENOUGH, BUT
4 THEY'RE MULTIPLE OFFICES. A GOOD EXAMPLE IS IN THE BAY
5 AREA WHERE WE HAVE A CONTRACTOR THAT GOES TO ALL THE
6 STATE OFFICES IN THE BAY AREA, PAYS US A FLAT FEE OF
7 \$15,000 FOR TWO YEARS TO PROVIDE THAT SERVICE, AND WE
8 FIND THAT VERY COST-EFFECTIVE BECAUSE IT'S AN INCENTIVE
9 TO THAT CONTRACTOR TO RECOVER AS MUCH MATERIAL AS
10 POSSIBLE. AND BASICALLY THEY SERVE AS AN EXTENSION OF
11 STAFF TO GO OUT THERE AND ENCOURAGE MORE MATERIAL TO BE
12 RECOVERED AND RECYCLED, SO WE FIND THAT THAT'S BEEN A
13 REAL PROFITABLE WAY.
14 WE'VE ALSO LOOKED AT -- WE'RE GOING
15 MODERN TECH. WITH ALL THE MATERIALS THAT ARE BEING
16 DEVELOPED, ALL OF US ARE FAMILIAR WITH THE COMPUTER AGE
17 NOW, AND INKJET CARTRIDGES AND XEROX MACHINES. AND
18 WHAT WE HAVE FOUND IS THESE MATERIALS HAVE VALUE. AND
19 RATHER THAN BEING DISCARDED OR THROWN INTO THE
20 WASTESTREAM, WE'VE INITIATED CONTRACTS TO COLLECT
21 THOSE. WE HAVE A CONTRACTOR THAT PAYS US FOR THOSE
22 MATERIALS THAT ARE THEN REUSED, RECYCLED, AND SOLD IN
23 THE MARKETPLACE AS RECYCLED INKJET CARTRIDGES AND LASER
24 TONER CARTRIDGES. AND WE CAN RECEIVE ANYWHERE FROM A
25 DOLLAR AND A HALF UP TO \$15 DEPENDING ON THE KIND OF



1 CARTRIDGE IT IS.
2 AND WE'RE FINDING THAT STATE OFFICES
3 RIGHT NOW HAVE BEEN REAL RECEPTIVE. THAT PART OF THE
4 PROGRAM HAS JUST STARTED IN THE LAST COUPLE MONTHS, AND
5 WE'VE SEE SIGNIFICANT INCREASES IN THE AMOUNT OF
6 MATERIALS AS WORD GETS OUT. AND WE ARE -- STAFF IS
7 DEVELOPING A MARKETING STRATEGY TO GET OUT TO THE
8 DIFFERENT DEPARTMENTS TO LET THEM KNOW THAT THESE KIND
9 OF CONTRACTS ARE AVAILABLE. AND SIMPLE CONTRACTS, SUCH
10 AS A WOOD PALLET SITE, STATEWIDE WOOD PALLET COLLECTION
11 CONTRACT THAT PAYS THE STATE FOR ALL THE PALLETS THAT
12 ARE GENERATED AT THEIR SITES, ESPECIALLY WITH CALTRANS
13 AND SOME OF THE BIGGER DEPARTMENTS. YOU KNOW, AGAIN,
14 PROVIDED WAYS TO MAKE SURE THE MATERIALS ARE, IN FACT,
15 BEING RECYCLED AND RECOVERED.
16 ONE OF THE AREAS THAT WE'VE LOOKED AT AND
17 TAKEN THE INITIATIVE IS MANY OF YOU ARE FAMILIAR WITH
18 THE WHITE CANISTER, CANNED CONTAINER THAT WE HAVE USED
19 IN THE PAST FOR RECYCLING WHITE OFFICE PAPER. AND IT'S
20 BEEN AROUND FOR A WHILE, AND IT WAS KIND OF BASED ON A
21 PRIOR DISCUSSION WITH THE STATE FIRE MARSHAL'S OFFICE,
22 AND HE INSISTED THAT WE HAVE THIS METAL CONTAINER WITH
23 A SPRING LOADED LID FOR FIRE PROTECTION PURPOSES. AND
24 IT AT THAT TIME PROBABLY SERVED A PURPOSE, BUT IT ALSO
25 CREATED SOME DIFFICULTY FOR THE PROGRAM. ONE, IT GETS



1 DENTED. IT LOOKS VERY TRASHY AFTER A WHILE. IT --
2 BECAUSE IN MANY CASES PEOPLE JUST TAKE THE LID OFF
3 BECAUSE IT'S SO DIFFICULT SOMETIMES TO PUT THE PAPER IN
4 OR THE SPRING LOADING MECHANISM HAS CREATED SOME
5 PROBLEMS IN TERMS OF INJURY OR JUST DAMAGE. SO WE
6 LOOKED AT OTHER OPTIONS.
7 RECENTLY ABOUT A YEAR AND A HALF AGO
8 STATE FIRE MARSHAL BECAME UNDER THE AUSPICES OF THE
9 DEPARTMENT OF FORESTRY AND FIRE PROTECTION. HAVING
10 COME FROM THAT DEPARTMENT, I ENCOURAGED STAFF TO MAKE A
11 CONTACT WITH SOME PEOPLE THAT I KNEW AND SEE IF WE
12 COULD GET SOMETHING IN WRITING OR HAVE THE FLEXIBILITY.
13 AND THE RESULT WAS THAT WE COULD NOW USE SOMETHING
14 OTHER THAN THE WHITE CAN CONTAINER. AND WHAT STAFF HAS
15 COME UP WITH AND WITH THE FIRE MARSHAL'S APPROVAL HAS
16 BEEN A PLASTIC MADE FROM POSTCONSUMER CONTENT RECYCLING
17 PLASTIC CONTAINER. I THINK WE HAVE IT RIGHT BACK HERE.
18 THE BLUE CONTAINER, AS YOU CAN SEE. IT DOES TWO
19 THINGS. ONE, IT'S GOING TO BE MORE SERVICEABLE BECAUSE
20 IT WILL WITHSTAND THE BANGING AND THE DUMPING THAT'S
21 CAUSED THE CANS TO GET BENT. IT'S MORE USABLE BECAUSE
22 THE TOP -- IT IS A TOP, BUT IT'S GOT A ROLLER KIND OF
23 TOP SO WHEN THE PAPER GOES IN, IT GOES IN. YOU DON'T
24 HAVE TO WORRY ABOUT IT STICKING TO YOUR HAND OR FALLING
25 DOWN. AND IT'S ALSO APPEALING IN MANY WAYS BECAUSE IT



1 IS A LONGER AND NARROWER CONTAINER. SEEMS TO FIT
2 BETTER IN THE HALLWAYS.
3 AND WE'RE GOING TO BE STARTING OFF WITH
4 SOME OF THE MAJOR BUILDINGS IN THE NEXT FEW MONTHS
5 PROVIDING THOSE CONTAINERS AND ASSESSING THE EFFECTS OF
6 THEM. THE REALITY HAS BEEN THAT WHEN WE TALKED WITH
7 SOME OF THE MAINTENANCE PEOPLE, THEY REALLY LIKE THE
8 CONTAINER. THEY LIKE THE FACT THAT IT'S EASY. AGAIN,
9 BECAUSE IT'S NOT METAL, LESS CHANCE OF INJURY. AND, OF
10 COURSE, WE'RE HOPING THAT BECAUSE IT WILL STAY LOOKING
11 NICER LONGER, IT WILL BE USED MORE FREQUENTLY. AND
12 WE'RE HOPING THAT THAT WILL ALSO CREATE A GREATER
13 RECYCLING RATE FOR US.
14 THE OTHER THING I WOULD LIKE TO POINT OUT
15 IS THAT I HAVE WHAT I CALL A SPECIAL PROJECT THAT WE'RE
16 WORKING WITH. AND FOR THOSE WHO ARE COMING FROM THE
17 STATE CAPITOL AND THOSE WHO ARE GOING TO THE STATE
18 CAPITOL, PERHAPS ALWAYS BEING THE OPTIMISTIC PERSON
19 THAT I AM, I WANTED TO POINT OUT THAT WE DO HAVE A
20 SPECIAL PROGRAM WITH THE STATE CAPITOL TO DEVELOP A
21 WHOLE NEW IMAGE THERE FOR RECYCLING FOR THEM IN
22 PROVIDING SOME SPECIALIZED CONTAINERS. IF YOU'VE BEEN
23 TO THE STATE CAPITOL, GO DOWN THE HALLWAYS, IT LOOKS
24 PRETTY MESSY. THERE ARE DIFFERENT SIZES, DIFFERENT
25 COLORS, DIFFERENT TYPES OF CONTAINERS, AND SOME OF THEM



1 HAVE BEEN THERE AND JUST SAT THERE FOR A LONG TIME.
2 AND WHAT WE'VE DONE IS WE'VE WORKED WITH
3 THE CAPITOL STAFF IN DEVELOPING A VERY AESTHETICALLY
4 PLEASING AND YET VERY FUNCTIONAL PROGRAM, DEVELOPING
5 CERTAIN CONTAINERS WE'RE GOING TO BE PURCHASING FOR
6 THEM, AND SETTING IT UP SO THAT IT BECOMES A REAL
7 SHOWPLACE FROM THE STANDPOINT THAT RECYCLING DOESN'T
8 HAVE TO BE MESSY. IT CAN BE AESTHETICALLY PLEASING AND
9 IT CAN BE CONVENIENT AS WELL. AND WE'LL BE LOOKING AT
10 PROVIDING SPECIALIZED CONTAINERS IN THE HALLWAY AREAS,
11 NEAR THE COPY MACHINES, AND WHERE THERE'S A LOT OF
12 TRAFFIC FLOW TO COLLECT ALL THE MATERIALS FROM PAPER,
13 BOTTLES AND CANS, TO WHATEVER ELSE, YOU KNOW, IS
14 NEEDED, AND ADDITIONALLY PROVIDING SOME SPECIALIZED
15 CONTAINERS IN LEGISLATIVE OFFICES. SO AGAIN, IT'S
16 AESTHETICALLY PLEASING AND CONDUCIVE TO RECYCLING.
17 THE COST WILL PROBABLY BE ABOUT \$30,000,
18 BUT IT WILL BE MONEY WELL WORTH SPENT BECAUSE, AGAIN,
19 IT WILL BE AN OPPORTUNITY FOR US AND THE LEGISLATURE TO
20 WORK TOGETHER AND SAY THIS IS A VALUED PROGRAM IN THE
21 STATE SERVICE.
22 LAST ITEM I'D LIKE TO POINT OUT, AND I
23 DIDN'T HAVE A CHANCE TO PRESENT IT AT COMMITTEE BECAUSE
24 THE PRESSES WERE WORKING AND WE GOT IT THE DAY AFTER,
25 MANY OF YOU HAVE SEEN IT, IT'S A NEW POSTER THAT WE



1 HAVE AND FOR THE PUBLIC OVER HERE. IT WAS DEVELOPED BY
2 OUR VERY TALENTED GRAPHIC SECTION AT THE BOARD. DIANE
3 AND THOMAS HAVE A WAY WITH ART THAT JUST GOES BEYOND.
4 WE FOUND IT TO BE AN OPPORTUNITY TO GET OUR MESSAGE OUT
5 TO ALL THE STATE OFFICES. WE KNOW IT WILL BE HUNG IN
6 THE RIGHT PLACES, BUT IT DOES HAVE A MESSAGE AT THE
7 BOTTOM THAT THE STATE RECYCLING PROGRAM, PROJECT
8 RECYCLE, CALL THIS NUMBER FOR MORE INFORMATION. AND WE
9 FEEL THAT THAT WILL BE ANOTHER WAY TO AGAIN ENCOURAGE
10 AND PROMOTE THE PROGRAM.
11 AT THE COMMITTEE I JUST, TO POINT OUT
12 BRIEFLY, CHAIRMAN CHESBRO DID POINT OUT THERE WERE SOME
13 QUESTIONS THAT HAD COME FROM MR. EATON'S OFFICE. AND
14 BASICALLY JUST OUTLINE QUICKLY WHAT SOME OF THE
15 QUESTIONS WERE. ONE WAS, YOU KNOW, WHAT KIND OF
16 REPORTS ARE WE RECEIVING FROM THE DEPARTMENTS. AS I
17 MENTIONED EARLIER, WE REALLY GET THE REPORTS IN THREE
18 DIFFERENT FASHIONS. AND THE QUESTION REALLY BECOMES
19 HOW DO WE GO ABOUT GETTING MORE INFORMATION FROM WHAT'S
20 BEING DONE. AND OUR ANSWER TO THAT HAS BEEN THAT WE'VE
21 BEEN PURSUING THE USE OF CONTRACTS, AS WELL AS LOOKING
22 AT DEVELOPING OTHER RESOURCES TO GET THEM TO FURTHER
23 PARTICIPATE. THE USE OF THE WEB PAGE WHERE THEY CAN
24 CONTACT AND FIND OUT WHAT CONTRACTS ARE AVAILABLE AND
25 THEY CAN PLUG INTO ARE ALSO THERE.



1 AND THEN I THINK ONE OF THE OTHER
2 QUESTIONS DEALT WITH THE ISSUE OF, WELL, IS THE STATE
3 OFFICES IMPACTING LOCAL GOVERNMENT BY NOT DOING ENOUGH
4 RECYCLING. I THINK OUR RESPONSE AT THAT POINT AND IN
5 LOOKING AT THE PARIS DATABASE THAT WE HAVE IS THAT AS A
6 REASON FOR LOCAL GOVERNMENT AND THEN HAVING A PROBLEM
7 WITH MEETING THEIR GOALS, IT WAS A VERY MINIMAL
8 RESPONSE THAT SAID IT WAS A RESULT OF OTHER GOVERNMENT
9 AGENCIES, AND THAT INCLUDES FEDERAL AGENCIES AND STATE
10 OFFICES, OF NOT BEING COOPERATIVE. OUR EXPERIENCE IN
11 THE PROGRAM HAS BEEN THAT WORKING WITH THE DEPARTMENT
12 OF CORRECTIONS WHERE THEY HAVE INSTITUTIONS, AND OUR
13 EXPERIENCE, LIKE I SAY, WITH SUSANVILLE AND UP IN SAN
14 QUENTIN AND SOUTHERN CALIFORNIA, THEY WORK VERY CLOSELY
15 WITH WAYS OF DIVERTING THEIR MATERIALS IN THE LOCAL
16 GOVERNMENT. BUT THAT'S NOT TO SAY THAT ALL OF THEM DO
17 BECAUSE WE DON'T HAVE CONTACTS WITH ALL THE
18 INSTITUTIONS, BUT THAT WILL BE SOMETHING WE WILL STRIVE
19 FOR AS WE DEVELOP OUR STRATEGIC PLAN IN DEALING WITH
20 LOCAL GOVERNMENT. PROJECT RECYCLE WILL BE AN IMPORTANT
21 ELEMENT TO THAT PLAN.
22 THAT CONCLUDES STAFF PRESENTATION, AND
23 AVAILABLE TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.
24 CHAIRMAN PENNINGTON: QUESTIONS? MR.
25 CHESBRO.



1 BOARD MEMBER CHESBRO: YES, MR. CHAIRMAN. AT
2 THE COMMITTEE I RAISED A NUMBER OF QUESTIONS MR. EATON
3 ASKED ME TO, BUT THERE WAS ALSO ONE SET OF QUESTIONS
4 THAT WERE MINE, AND THEY WERE JUST REFERRED TO,
5 RELATIVE TO HOW WE IDENTIFY PRIORITIES FOR WHICH STATE
6 AGENCIES TO FOCUS ON. AND GENERALLY SPEAKING, THE
7 AGENCIES THAT ARE WANTING TO PARTICIPATE IN THE COST
8 REMUNERATION PROCESS HAVE BEEN GIVEN PRIORITY, WHICH IS
9 UNDERSTANDABLE IN GENERAL. I THINK THAT'S A GOOD
10 THING, BUT THERE'S ANOTHER FACTOR, AND IT DOESN'T APPLY
11 EVENLY AROUND THE STATE. SO I'M NOT SURPRISED IT
12 DOESN'T SHOW UP IN THE PARIS DATABASE MUCH. IT APPLIES
13 TO CERTAIN JURISDICTIONS.
14 BUT THE QUESTION I RAISED WAS SHOULD WE
15 ALSO FOCUS ON THOSE PARTICULAR INSTANCES WHERE YOU HAVE
16 A VERY LARGE STATE INSTITUTION IN A VERY SMALL LOCAL
17 JURISDICTION WHERE THE HIGH PROPORTION OF THE
18 WASTESTREAM IS GENERATED BY A STATE AGENCY WHO MAY NOT
19 BE VERY COOPERATIVE WITH RECYCLING OR MAY NOT HAVE BEEN
20 VERY PROGRESSIVE OR OUT FRONT ON IT, AND WHO IN THE
21 CASE OF THE UNIVERSITY AND COLLEGE SYSTEM, FOR EXAMPLE,
22 BECAUSE OF THE WAY THEY'RE STRUCTURED BUDGETARILY IN
23 THEIR QUASI INDEPENDENT ROLE IN THE STATE, THEIR
24 AUTONOMY, MAY ALSO NOT PARTICIPATE IN THE COST RETURN
25 BASIS, BUT THAT DOESN'T HELP THE LOCAL JURISDICTION.



1 IF WE WALK AWAY AND SAY, WELL, THEY DON'T FIT OUR
2 PRIORITIES AND SO WE'RE NOT GOING TO HELP, BUT
3 MEANWHILE THE UNIVERSITY TURNS OUT TO BE 50 PERCENT OF
4 THE WASTESTREAM FOR THAT COMMUNITY OR SOMETHING. AND
5 WE ACTUALLY HAVE AN EXAMPLE, IT'S NOT A SMALL
6 COMMUNITY, AND MAYBE IT'S NOT THE BEST EXAMPLE, BUT ONE
7 THAT'S CLOSE BY WHERE ONLY RECENTLY HAS SAC STATE
8 REALLY PICKED UP ACTIVELY IN PROJECT RECYCLE. FOR
9 SEVERAL YEARS THEY WERE, LET'S JUST SAY, NOT ACTIVELY
10 PARTICIPATING. IN FACT, THEY HAD A RECYCLING CENTER
11 THAT THEY KICKED OFF CAMPUS AT ONE POINT. AND, YOU
12 KNOW, THAT -- THAT'S AN IMPACT ON THE CITY OF
13 SACRAMENTO. IF THAT SAME UNIVERSITY HAD BEEN IN A
14 SMALL COMMUNITY, SAY STANISLAUS OR SANTA CRUZ OR
15 ARCATA, THAT IMPACT WOULD BE HUGE.
16 SO MY INPUT TO STAFF WAS THAT WE, WHILE
17 IT MAY NOT BE AFFECTING THE MAJORITY OF JURISDICTIONS
18 AND THEREBY POPPING UP IN THE PARIS DATABASE, THAT WE
19 DO NEED TO BE SENSITIVE IN OUR LOCAL ASSISTANCE PROCESS
20 TO INSTANCES WHERE THAT OCCURS, AND THERE NEEDS TO BE A
21 CROSS PROGRAM COOPERATION WHERE LOCAL ASSISTANCE AND
22 PROJECT RECYCLE ARE WORKING TOGETHER TO TRY TO MAKE
23 SURE THAT THAT STATE INSTITUTION IS RESPONDING SO THAT
24 THAT LOCAL JURISDICTION ISN'T UNFAIRLY BEING PUT IN A
25 NONCOMPLIANCE SITUATION BECAUSE THEY'RE NOT GETTING



1 ENOUGH RECYCLING OUT OF A STATE AGENCY.
2 I BROUGHT IT UP BECAUSE I'VE HAD A GROUP
3 CALLED UNIVERSITY AND COLLEGE RECYCLERS WHO'VE BEEN --
4 YOU MAY HAVE SEEN THE COPIES OF THE LETTERS. I DON'T
5 KNOW IF THEY'VE SENT THEM TO OTHER BOARD MEMBERS, BUT
6 THEY'VE BEEN BANGING ON MY DOOR, I CAN TELL YOU THAT.
7 AND SO THEY'RE THE SPECIFIC EXAMPLE THAT HAS COME TO
8 MIND, BUT THERE WERE PROBABLY OTHERS WHERE I DON'T
9 THINK WE CAN ALWAYS JUST LOOK AT THE REVENUE QUESTION
10 IN TERMS OF DECIDING WHERE WE'RE GOING TO PUT OUR
11 EFFORTS. SOMETIMES WE'LL HAVE TO PUT A PRIORITY ON A
12 SPECIFIC INSTANCE WHERE THERE'S A LOCAL PROBLEM.

13 CHAIRMAN PENNINGTON: RIGHT. WHERE THESE
14 COLLEGES AND UNIVERSITIES ARE, THOUGH, THEY COULD FUND
15 SOME OF THEIR PROGRAM WITH MONEY THAT THEY COULD GET
16 BACK FROM THE RECYCLING EFFORTS.

17 BOARD MEMBER CHESBRO: YEAH. THE PROBLEM IS
18 THAT THEY TEND TO DO IT INTERNALLY IN THEIR -- HOW
19 SHALL I SAY IT POLITELY? -- IN THEIR BUDGETING PROCESS,
20 WHICH IS VERY DIFFERENT THAN THE REST OF STATE
21 GOVERNMENT, YOU KNOW; AND THEIR ABILITY TO WORK WITH US
22 AND ENTER INTO THE SAME KIND OF FINANCIAL ARRANGEMENTS
23 AS OTHER STATE AGENCIES HAS BEEN DIFFICULT. AT LEAST
24 THEY USE THAT AS AN EXCUSE. WHETHER IT'S TRUE OR NOT I
25 DON'T KNOW. BUT SO THAT'S -- AND THAT'S THE ORIGIN OF



1 THE PROBLEM.
2 BUT INTERNALLY ACTUALLY A LOT OF THE
3 ADVOCATES, YOU KNOW, IN THE FACULTY OR THE STUDENTS OR
4 WHOEVER ELSE WITHIN THE ORGANIZATION ADVOCATING
5 RECYCLING, THEY HAVE ACTUALLY ADVOCATED THAT THE MONEY
6 FROM RECYCLING INTERNALLY GO TO PAY FOR THE INTERNAL
7 COST IN ORDER TO CONVINCE THE UNIVERSITY ADMINISTRATION
8 TO DO IT, AND THAT SORT OF LEFT US OUT OF THE LOOP, YOU
9 KNOW.

10 BOARD MEMBER JONES: I JUST WANT TO ASK ONE
11 QUESTION. AND I'M GOING TO EXPOSE MY 25 YEARS IN THIS
12 INDUSTRY BECAUSE I WANT TO KNOW IF THE COLORS OF THOSE
13 BINS WERE -- THERE ARE SOME THAT ARE LAUGHING. THEY
14 KNOW WHAT -- AS SOON AS I LOOKED AT THAT BIN, AND
15 BELIEVE ME I DON'T HAVE A PROBLEM WITH BFI, I REALLY
16 DON'T, BUT, YOU KNOW, TO EXPOSE MY --

17 BOARD MEMBER CHESBRO: HE WANTS TO KNOW IF
18 THERE'S MAROON BINS, YELLOW.

19 BOARD MEMBER JONES: NO, I DON'T. ACTUALLY I
20 DON'T KNOW THAT. I WANT TO KNOW IF THE COLOR'S BEEN
21 CHOSEN SO THAT THAT ASSOCIATION MAY NOT -- MAY BE AS
22 FAIR AND NOT, YOU KNOW, TO THOSE DEMENTED PEOPLE LIKE
23 ME THAT LOOK AT THE COLOR OF SOMETHING AND ASSOCIATE IT
24 WITH A PARTICULAR ORGANIZATION. I'M JUST WONDERING.

25 MS. FRIEDMAN: I THINK I'LL TAKE A STAB AT



1 THIS, AND, PHIL, GO AHEAD AND JUMP IN. WE HAVE SOME
2 RESTRICTIONS ON COLORS. YELLOW IS CONSIDERED
3 BIOHAZARDOUS WASTE IN MANY CASES. RED IS FIRE. WHITE
4 IS A PROBLEM BECAUSE IT GETS TRASHY, AS PHIL SAID
5 EARLIER REALLY QUICKLY. GRAY AND THOSE KINDS OF COLORS
6 END UP BEING TOO MUCH ASSOCIATED WITH GARBAGE CANS.
7 AND SO WE WERE LOOKING AT A COLOR THAT IS EASILY
8 IDENTIFIABLE AND DIDN'T FADE IN AND DIDN'T LOOK LIKE A
9 GARBAGE CAN, AND THERE WAS NO THOUGHT THAT IT WAS A
10 PARTICULAR COMPANY'S COLOR. ALSO, IT IS COLOR
11 COORDINATED WITH THE POSTER THAT WE HAVE SO THAT WE
12 HAVE OUR MOTIF.

• 13 CHAIRMAN PENNINGTON: THERE'S THE REAL REASON.

14 MS. FRIEDMAN: •BUT THERE IS OPPORTUNITY TO
15 LOOK AT OTHER COLORS.

16 BOARD MEMBER JONES: I JUST BROUGHT IT UP.
17 IT'S JUST MY MIND SET WHEN I --

18 MS. FRIEDMAN: BUT ACTUALLY WE DID -- THE
19 POINT I'M MAKING IS WE DID HAVE TO LOOK AT SOME OF
20 THESE OTHER ISSUES. THERE AREN'T UNLIMITED COLORS WITH
21 THESE PARTICULAR BINS. WE HAVE CERTAIN COLORS THAT WE
22 HAVE TO CHOOSE FROM.

23 MR. MORALES: THESE COLORS ALSO WILL BE --
24 REALIZE THAT WE'RE LOOKING AT DIFFERENT INSTITUTIONS AS
25 WELL WHEN YOU LOOK AT HOSPITALS AND OTHERS. THEY'RE



1 VERY COLOR CONSCIOUS IN TERMS OF WHAT GOES IN CERTAIN
2 BINS. WE HAD LOOKED AT SOME OF THE LOCAL HOSPITALS,
3 AND BLUE SEEMED TO BE THE COLOR THAT THEY WERE USING
4 FOR THEIR RECYCLABLE MATERIALS AS WELL. SO IT WAS KIND
5 OF LIKE WHAT WILL FIT BEST.
6 BUT I HAVE TO TELL YOU, NOW I HAVE TO BUY
7 HER LUNCH BECAUSE WE DISCUSSED THIS ISSUE ABOUT COLOR
8 COMING UP. SO THANK YOU, MR. JONES.

9 BOARD MEMBER AMODIO: MR. CHAIRMAN, I MUST
10 SAY, AT THE RISK OF EXPOSING MY NORTHERN CALIFORNIA
11 ROOTS, MY CONCERN WAS THAT IT SEEMED TO BE DODGER
12 BLUE.

13 CHAIRMAN PENNINGTON: I JUST HAVE ONE
14 QUESTION, AND THAT IS WHY ISN'T OUR LOGO ON THERE?
15 MR. MORALEZ: THIS IS JUST A SAMPLE THAT WE
16 GOT FROM THE MANUFACTURER. WE WILL HAVE OUR LOGO.

17 CHAIRMAN PENNINGTON: AND THE ONES THAT GO IN
18 THE CAPITOL WILL HAVE OUR LOGO AND MR. CHESBRO'S
19 NUMBER?

20 MS. FRIEDMAN: IF I MAY, TOO, ABOUT THE COLOR
21 AND OUR LOGO, OUR LOGO SHOWS UP VERY WELL AGAINST THIS
22 COLOR. IT FADED OUT AGAINST GREEN AND SOME OF THE
23 OTHER COLORS THAT WERE POTENTIAL. YOU COULDN'T EVEN
24 SEE OUR LOGO.

25 BOARD MEMBER JONES: I DON'T HAVE A PROBLEM



1 WITH THAT THEN.

2 BOARD MEMBER EATON: ON A MORE SOMBER NOTE,
3 HAVE -- THE LEG. ANALYST WAS SOMEWHAT CRITICAL OF THIS
4 PROGRAM. HAVE WE PREPARED ANY KIND OF WRITTEN RESPONSE
5 WITH REGARD TO THE POINTS RAISED BY THE LEG. ANALYST?
6 AND IF SO, COULD WE GET A COPY OF IT? ARE WE GOING TO
7 PREPARE ONE?

8 MS. FRIEDMAN: WE ARE IN THE PROCESS OF
9 PREPARING ONE. WE HAVE NOT COMPLETED IT AT THIS POINT.

10 BOARD MEMBER EATON: I THINK IT WOULD BEHOOVE
11 US, BEFORE WE PUT ALL OF THESE AROUND THE CAPITOL, THAT
12 WE AT LEAST EXPLAIN WHAT WE'RE DOING IN A MUCH MORE
13 STRAIGHTFORWARD MANNER.

14 MS. FRIEDMAN: THAT'S THE GOAL.

15 BOARD MEMBER EATON: THANK YOU.

16 CHAIRMAN PENNINGTON: THANK YOU. OKAY.
17 MOVING ON TO ITEM 21, WHICH IS CONSIDERATION OF OPTIONS
18 FOR COMPLIANCE WITH THE RIGID PLASTIC PACKAGING
19 CONTAINER PROGRAM. MS. TRGOVCICH.

20 MS. TRGOVCICH: GOOD MORNING, CHAIRMAN
21 PENNINGTON AND MEMBERS. I'M CAREN TRGOVCICH, DEPUTY
22 DIRECTOR FOR THE WASTE PREVENTION AND MARKET
23 DEVELOPMENT DIVISION. THIS ITEM, AS YOU SAID, IS
24 OPTIONS FOR CONSIDERATION REGARDING COMPLIANCE WITH THE
25 RPPC PROGRAM. THIS ITEM WAS HEARD IN THE LOCAL



1 ASSISTANCE AND PLANNING COMMITTEE EARLIER THIS MONTH,
2 AND I WOULD LIKE TO OFFER THE CHAIR AN OPTION HERE.
3 NORMALLY WHEN AN ITEM IS NOT PLACED ON CONSENT AND WE
4 HEAR THE ITEM AT THE BOARD MEETING, WE PROVIDE AN
5 ABBREVIATED PRESENTATION. SINCE WE HAVE TWO NEW
6 MEMBERS THAT HAVE NOT PREVIOUSLY HEARD THIS ITEM, I
7 WOULD LIKE TO GIVE YOU THE OPTION OF EITHER HEARING THE
8 ABBREVIATED VERSION OR THE COMMITTEE PRESENTATION.

9 CHAIRMAN PENNINGTON: I THINK THAT'S PROBABLY
10 A GOOD IDEA THAT WE HEAR THE COMMITTEE.

11 MS. TRGOVCICH: THE ORIGINAL COMMITTEE
12 PRESENTATION. OKAY. WITH THAT, I'M GOING TO TURN THE
13 PRESENTATION OVER TO JOHN NUFFER, AND NEAL JOHNSON WILL
14 BE WORKING THE OVERHEADS. JUST AS A BRIEF REMINDER, AS
15 I DID IN COMMITTEE AS WELL, THIS ITEM IS CONSIDERATION
16 OF COMPLIANCE OPTIONS AS IT PERTAINS TO THE 1996 RATE
17 AND TO THE REMIND THE BOARD MEMBERS THAT CALCULATION OF
18 FUTURE YEAR RATES, SPECIFICALLY '97 AND '98, WILL BE AN
19 ITEM HEARD AT COMMITTEE AT ITS APRIL MEETING. SO THAT
20 ITEM WILL BE COMING FORWARD SEPARATELY, AND I'D LIKE TO
21 TURN THE PRESENTATION OVER TO JOHN NOW.

22 MR. NUFFER: THANK YOU, CAREN. MR. CHAIRMAN,
23 BOARD MEMBERS, MY NAME IS JOHN NUFFER WITH THE WASTE
24 PREVENTION AND MARKET DEVELOPMENT DIVISION. AS CAREN
25 SAID, NEAL JOHNSON IS WITH ME. WE'RE HERE TODAY TO



1 DISCUSS THE BOARD'S OPTION FOR ENSURING COMPLIANCE WITH
2 THE RIGID PLASTIC PACKAGING CONTAINER OR RPPC LAW.
3 THAT LAW, PUBLIC RESOURCES CODE SECTION
4 42300, REQUIRES EVERY RPPC SOLD OR OFFERED FOR SALE IN
5 THE STATE TO MEET ONE OF SIX CRITERIA. THREE OF THESE
6 CRITERIA SET OVERALL MINIMUM RECYCLING RATES. FIRST,
7 FOR ALL RPPC'S; SECOND, FOR PETE RPPC'S OR PET RPPC'S,
8 LIKE SODA BOTTLES; AND THIRD, FOR PRODUCT ASSOCIATED
9 RPPC'S LIKE PAUL NEWMAN'S SALAD DRESSING BOTTLES.
10 THE OTHER THREE CRITERIA SPECIFY HOW
11 CONTAINERS ARE TO BE DESIGNED. MANUFACTURERS OF
12 PRODUCTS SOLD IN RPPC'S MUST MEET ONE OF THESE SIX
13 CRITERIA. SO PRODUCT MANUFACTURERS ARE IN COMPLIANCE
14 WITH THE LAW IF THEY MEET ONE OF THE FOLLOWING
15 CRITERIA: IF THE OVERALL RECYCLING RATE FOR ALL RPPC'S
16 IS 25 PERCENT OR GREATER, IF THE RECYCLING RATE FOR
17 PETE IS 55 PERCENT OR GREATER, IF A CONTAINER IS
18 PRIMARILY PETE, OR IF THEIR CONTAINERS ARE MADE FROM 25
19 POSTCONSUMER MATERIAL, OR IF THEIR CONTAINERS ARE
20 REUSABLE OR REFILLABLE, OR IF THEIR CONTAINERS USE 10
21 PERCENT LESS MATERIAL COMPARED TO A BASE YEAR, OR IF
22 THE RECYCLING RATE FOR PRODUCT ASSOCIATED RPPC'S IS 45
23 PERCENT OR GREATER.
24 THE BOARD IS REQUIRED TO CALCULATE TWO OF
25 THOSE RATES, THE OVERALL RECYCLING RATE FOR ALL RPPC'S



1 AND RECYCLING RATE FOR PETE RPPC'S. THE BOARD
2 CALCULATED AND ADOPTED THE 1995 ALL-CONTAINER RATE THAT
3 RANGED FROM 23.3 PERCENT TO 25.9 PERCENT. IN JANUARY
4 OF THIS YEAR, THE BOARD ADOPTED A 1996 ALL-CONTAINER
5 RATE OF 23.2 PERCENT AND A PETE RATE OF 35.9 PERCENT.
6 PRODUCT MANUFACTURERS, THEREFORE, MUST MEET ONE OF THE
7 OTHER FOUR CRITERIA IN ORDER TO BE IN COMPLIANCE FOR
8 1996. THEIR CONTAINERS MUST BE MADE FROM 25-PERCENT
9 POSTCONSUMER MATERIAL OR THEIR CONTAINERS MUST BE
10 REUSABLE OR REFILLABLE OR THEIR CONTAINERS MUST USE 10
11 PERCENT LESS MATERIAL COMPARED TO A BASE YEAR OR THE
12 RECYCLING RATE FOR PRODUCT ASSOCIATED RPPC'S MUST BE 45
13 PERCENT OR GREATER.
14 AT THIS POINT THE BOARD HAS FOUR GENERAL
15 OPTIONS. THE BOARD CAN CONTINUE TO CALCULATE THE
16 ALL-CONTAINER AND PETE RECYCLING RATES AND RELY ON
17 MANUFACTURERS' OWN EFFORTS TO COMPLY OR THE BOARD CAN
18 TAKE ENFORCEMENT ACTION TO CERTIFY COMPLIANCE BY
19 PRODUCT MANUFACTURERS OR THE BOARD CAN FACILITATE
20 VOLUNTARY COMPLIANCE OR THE BOARD COULD COMBINE
21 CERTIFICATION WITH SOME KIND OF VOLUNTARY PROGRAM.
22 THE FIRST OPTION IS TO CONTINUE DOING
23 WHAT WE'VE BEEN DOING; THAT IS, CALCULATING AND
24 PUBLISHING THE ALL-CONTAINER AND PETE RATES. THE
25 ADVANTAGE IS THAT IT DOESN'T REQUIRE ANY MORE STAFF OR



1 RESOURCES. CURRENTLY THE EFFORT WE'RE UNDERTAKING
2 REQUIRES BETWEEN ONE AND THREE PEOPLE PER YEAR. THE
3 DISADVANTAGES THAT THE BOARD WOULD NOT VERIFY AND,
4 THEREFORE, WOULD NOT KNOW IF MANUFACTURERS WERE IN
5 COMPLIANCE.
6 THE SECOND OPTION IS TO TAKE ENFORCEMENT
7 ACTION TO CERTIFY COMPLIANCE BY PRODUCT MANUFACTURERS.
8 THE BOARD WOULD NOTIFY PRODUCT MANUFACTURERS THAT THE
9 1996 ALL-CONTAINER AND PETE RATES CANNOT BE USED FOR
10 COMPLIANCE IN 1996. THE BOARD WOULD REQUIRE
11 MANUFACTURERS TO CERTIFY THAT THEY'RE IN COMPLIANCE
12 WITH ONE OF THE OTHER CRITERIA. AND WE COULD DO THIS A
13 COUPLE WAYS. WE COULD CONDUCT A BLANKET ENFORCEMENT
14 WHEREBY EVERY MANUFACTURER MUST SUBMIT DOCUMENTATION TO
15 THE BOARD, OR WE COULD CONDUCT A CONCENTRATED
16 ENFORCEMENT, TARGETING SPECIFIC PRODUCTS, CONTAINER
17 TYPES, OR BUSINESSES.
18 THE BOARD WOULD THEN EVALUATE THOSE
19 CERTIFICATIONS, FOLLOW UP WITH MANUFACTURERS, AUDIT THE
20 CERTIFICATIONS, IF NECESSARY, AND PURSUE PROSECUTION BY
21 THE ATTORNEY GENERAL, OR ADMINISTRATIVE CIVIL
22 PENALTIES. THE ADVANTAGE TO THIS IS WE WOULD KNOW
23 SPECIFICALLY WHICH COMPANIES WERE IN COMPLIANCE AND
24 WHICH NOT IN 1996. THE DISADVANTAGE IS THAT IT WOULD
25 REQUIRE SEVERAL ADDITIONAL STAFF AND MORE FUNDING.



1 IN 1993 THE BOARD CONTRACTED WITH ERNST
2 & YOUNG TO DO A PLAN FOR IMPLEMENTING THIS RPPC
3 PROGRAM. AND FOR THE ENTIRE PROGRAM THEY ESTIMATE THAT
4 IT WOULD TAKE EIGHT STAFF. JUST THE CERTIFICATION
5 PROCESS, THEY ESTIMATE, WOULD TAKE FIVE STAFF.
6 THE THIRD OPTION IS TO FACILITATE
7 VOLUNTARY COMPLIANCE. THE BOARD WOULD NOTIFY PRODUCT
8 MANUFACTURERS, AS IN THE PREVIOUS OPTION, THAT
9 ALL-CONTAINER AND PETE RATES CANNOT BE USED TO COMPLY
10 FOR 1996. WE BELIEVE THIS IS IMPORTANT WHETHER YOU
11 TAKE AN ENFORCEMENT OR VOLUNTARY APPROACH, AND THIS
12 COULD TAKE THE FORM OF AN ADVERTISING CAMPAIGN OR A
13 SERIES OF PUBLIC SERVICE ANNOUNCEMENTS EITHER STATEWIDE
14 OR NATIONWIDE.

15 BOARD MEMBER CHESBRO: JOHN, CAN I INTERRUPT
16 FOR JUST A SECOND AND GO BACK A STEP. THE NUMBERS THAT
17 YOU GAVE IN TERMS OF THE STAFF REQUIRED UNDER THE ERNST
18 & YOUNG PROPOSAL, THAT INVOLVED A MUCH BROADER UNIVERSE
19 OF PACKAGES THOUGH, DID IT NOT?

20 MR. NUFFER: IT DID. ABOUT HALF. WHEN FOOD
21 AND COSMETICS WERE EXEMPTED, WE FIGURE THAT DROPPED
22 THOSE FIGURES BY ABOUT HALF. SO FIVE -- IF WE FIGURE
23 FIVE, IT'S PROBABLY TWO, LITTLE MORE THAN TWO.

24 BOARD MEMBER CHESBRO: I WANTED TO CLARIFY
25 THAT. THANKS.



1 MR. NUFFER: THE BOARD COULD SUPPORT RESEARCH
2 TO IMPROVE OUR UNDERSTANDING OF THE RECOVERY SYSTEM; IN
3 OTHER WORDS, WHERE THE BOARD CAN INFLUENCE REUSE AND
4 RECYCLING. THE BOARD COULD IMPLEMENT AN INFORMATION OR
5 OUTREACH PROGRAM; IN OTHER WORDS, IDENTIFY POTENTIAL
6 SOURCES OF AND DEMAND FOR POSTCONSUMER RESIN, AND
7 PROVIDE OTHER TECHNICAL AND MARKETING ASSISTANCE. THE
8 BOARD COULD SEEK PROPOSALS FROM PRODUCT MANUFACTURERS
9 ABOUT HOW TO ACHIEVE VOLUNTARY COMPLIANCE. THE BOARD
10 COULD ALSO SEEK TO BUILD ALLIANCES AND PARTNERSHIPS
11 WITH MANUFACTURERS AND THEIR TRADE ASSOCIATIONS TO
12 DESIGN AND IMPLEMENT MEASURES TO ACHIEVE COMPLIANCE, OR
13 THE BOARD COULD INITIATE AN AWARDS AND RECOGNITION
14 PROGRAM FOR MANUFACTURERS WHO ARE SETTING A GOOD
15 EXAMPLE.
16 THE ADVANTAGE TO THIS VOLUNTARY
17 COMPLIANCE OPTION IS THAT WE CAN DO THIS WITH FEWER
18 STAFF AND LESS FUNDING. THE DISADVANTAGE IS IT MIGHT
19 NOT BE FAIR TO COMPANIES THAT WERE IN COMPLIANCE IN
20 1996.
21 THE FOURTH OPTION IS TO COMBINE
22 CERTIFICATION WITH SOME KIND OF VOLUNTARY PROGRAM OR
23 INDUSTRY PARTNERSHIP. THIS WOULD INVOLVE CERTIFYING
24 MANUFACTURERS AND HELPING THEM MEET THE APPROPRIATE
25 CRITERIA. THE ADVANTAGE TO THIS OPTION IS THAT WE



1 WOULD BE ABLE TO MEASURE PAST COMPLIANCE AND INFLUENCE
2 FUTURE RECYCLING. THE DISADVANTAGE IS IT WOULD TAKE
3 DOUBLE THE STAFF COMPARED TO A SOLELY VOLUNTARY
4 APPROACH OR STRICTLY AN ENFORCEMENT APPROACH.
5 OUR INITIAL RECOMMENDATION TO THE
6 PLANNING COMMITTEE WAS TO TAKE PIECES OF SEVERAL OF
7 THESE OPTIONS. AND I THINK ON PAGE 21-4 OF YOUR AGENDA
8 ITEM ARE THE SIX STEPS THAT WE RECOMMENDED TO THE
9 PLANNING COMMITTEE, AND I'LL BRING UP THE PLANNING
10 COMMITTEE'S MOTION IN JUST A SECOND.
11 STEP ONE WOULD BASICALLY BE TO IDENTIFY
12 MANUFACTURERS WHO WOULD BE COVERED BY THE STATUTE. WE
13 DON'T CURRENTLY HAVE A COMPREHENSIVE LIST OF
14 MANUFACTURERS THAT SELL PRODUCTS IN RPPC'S. WE DO --
15 WE HAVE IDENTIFIED 21 SIC CODES -- AND I JUST WAS
16 REMINDED OF THIS A FEW MOMENTS AGO -- SO WE HAVE
17 IDENTIFIED THE SIC CODES WHERE WE BELIEVE THESE
18 MANUFACTURERS WOULD BE LOCATED, BUT WE STILL DON'T HAVE
19 A LIST OF THE ACTUAL MANUFACTURERS THEMSELVES. SO
20 THAT'S THE FIRST STEP.
21 THE SECOND STEP WOULD BE TO NOTIFY
22 CONTAINER AND PRODUCT MANUFACTURERS AND THEIR TRADE
23 ASSOCIATIONS THAT THE 1996 ALL-CONTAINER AND PETE
24 RECYCLING RATES, AS CALCULATED BY THE BOARD, ARE NOT
25 AVAILABLE TO COMPLY WITH THE STATUTE. THIS IS



1 BASICALLY THE NOTIFICATION STEP. THIS STEP WOULD ALSO
2 INVOLVE INFORMING MANUFACTURERS THAT THEY MUST COMPLY
3 WITH THE LAW USING ONE OF THE OTHER FOUR METHODS THAT I
4 DISCUSSED PREVIOUSLY.
5 AND THE NEXT STEP, WHICH FOLLOWS
6 LOGICALLY FROM IDENTIFICATION OF THE MANUFACTURERS AND
7 NOTIFYING THEM. THE THIRD STEP, WHICH WAS BROUGHT UP
8 BY THE PLANNING COMMITTEE, WAS TO ACTUALLY SEND THESE
9 MANUFACTURERS A CERTIFICATION FORM. NOW, IF THE BOARD
10 CHOOSES TO DO THAT, WE WOULD RECOMMEND THAT WE NOT DO
11 STEPS 3, 4, AND 6 BECAUSE IF WE'RE GOING TO FIND OUT
12 WHO WAS IN COMPLIANCE AND WHO WASN'T, WE PROBABLY DON'T
13 NEED TO WORK WITH INDUSTRY JUST YET. IF WE ARE GOING
14 TO SEND OUT A FORM AND FIND OUT WHAT'S GOING ON, THEN
15 THAT WILL TELL US LATER ON WHAT WE NEED TO DO MORE
16 SPECIFICALLY.

17 MS. TRGOVCICH: SO MAYBE JUST TO SUMMARIZE
18 WHAT THE COMMITTEE RECOMMENDATION WAS, THE COMMITTEE
19 RECOMMENDATION WAS TO APPROVE THE INITIAL STAFF
20 RECOMMENDATION. AND YOU CAN SEE THE SECOND PART OF IT
21 UP ON THE SCREEN, WHICH INCLUDED STEPS 1 AND 2 AND THEN
22 STEPS 3, 4, 5, AND 6, WHICH MOVE INTO THE VOLUNTARY
23 OPTIONS. AT THE COMMITTEE MEETING AN ADDITIONAL
24 ELEMENT WAS ADDED TO THE MOTION, AND THAT WAS TO SEND A
25 CERTIFICATION FORM, AS JOHN JUST INDICATED, ALONG WITH



1 THE NOTICE -- THAT'S STEP 2 UP THERE -- TO DIRECT
2 PRODUCT MANUFACTURERS TO SPECIFY THE EXTENT TO WHICH
3 THE OTHER COMPLIANCE OPTIONS WERE USED. THE FORMS
4 WOULD STATE THAT IF WE DO NOT HEAR FROM THEM, THAT THEY
5 MAY BE ASSUMED TO BE OUT OF COMPLIANCE. THE
6 CERTIFICATIONS WILL BE RETURNED TO THE BOARD, AND STAFF
7 WILL COMPILE THE RESULTS AND REPORT TO THE BOARD.
8 AT THAT POINT THE BOARD WOULD THEN
9 REVISIT ENFORCEMENT ACTIONS, DEPENDING UPON THE LEVEL
10 OF COMPLIANCE. AND I BELIEVE PATTI BERTRAM JUST HANDED
11 OUT A COPY OF THAT MOTION SINCE WE HAVE A NUMBER OF
12 STEPS UP ON THE SCREEN.
13 WHAT JOHN JUST SUGGESTED IS THAT IF THE
14 BOARD ADOPTS THE MOTION AS IT CAME OUT OF COMMITTEE IS
15 THAT THE STAFF WOULD RECOMMEND THAT STEPS 3, 4, AND 6
16 BE TAKEN OUT OF THE BOARD MOTION, AT LEAST AT THIS
17 TIME, IN THAT IF WE ARE TO BE RECEIVING INFORMATION
18 FROM MANUFACTURERS ON A MANUFACTURER-BY-MANUFACTURER
19 BASIS ON HOW THEY ARE DOING AND WHAT OPTIONS THEY'RE
20 USING, THAT THIS INFORMATION WOULD BE VERY VALUABLE
21 BEFORE WE PROCEED WITH ANY OF THE VOLUNTARY MEASURES,
22 AND IT WOULD ALSO HELP US TO DETERMINE WHETHER OR NOT
23 TO PROCEED WITH THE VOLUNTARY MEASURES. SO WE WOULD
24 RECOMMEND THAT STEPS 3, 4, AND 6 BE ELIMINATED FROM THE
25 MOTION.



1 UPON CONCLUSION OF THE COMMITTEE ITEM,
2 THERE WAS SOME UNCERTAINTY AROUND THE MOTION OF THE
3 COMMITTEE AND HOW SPECIFIC IT WAS. WE DEVELOPED A
4 COUPLE OF ALTERNATIVES IN RESPONSE TO THAT. AND IF THE
5 BOARD WOULD LIKE, WE COULD DISCUSS THOSE. ONE OTHER
6 ITEM, JUST TO POINT OUT TO YOU, IS THAT THE RESOLUTION
7 ITSELF WOULD ALSO NEED TO BE MODIFIED TO REFLECT THE
8 CHANGES THAT WE JUST SUGGESTED IN TERMS OF THE
9 ELIMINATION OF STEPS 3, 4, AND 6.

10 BOARD MEMBER CHESBRO: MR. CHAIRMAN, CAN I ASK
11 CAREN A QUESTION?

12 CHAIRMAN PENNINGTON: YES. MR. CHESBRO.

13 BOARD MEMBER CHESBRO: YOU TALK ABOUT 3, 4,
14 AND 6 BEING ELIMINATED. AREN'T YOU REALLY TALKING
15 ABOUT DELAYED? ISN'T IT A TIMING QUESTION? IT'S NOT
16 SO MUCH THAT THOSE THINGS WOULD NEVER BE DONE. IT'S A
17 QUESTION OF WHETHER OR NOT WE'D WAIT TO DO THOSE UNTIL
18 WE HAD INFORMATION ON COMPLIANCE.

19 MS. TRGOVCICH: ABSOLUTELY SO. AND I THINK
20 THAT THE COMMITTEE MOTION, THE LAST SENTENCE OF THE
21 WRITTEN MOTION SAYS AT THAT POINT WE CAN REVISIT
22 ENFORCEMENT ACTIONS BASED UPON THE LEVEL OF COMPLIANCE.
23 AND WE WOULD PROPOSE TO BRING THAT BACK, BRING BACK
24 WHAT STEPS DO YOU WANT TO PROCEED WITH AT THAT POINT.

25 BOARD MEMBER CHESBRO: WELL, I JUST WANT TO



1 POINT OUT THAT, YOU KNOW, THE APPROACH WE'VE TAKEN WITH
2 LOCAL GOVERNMENTS IS A COMBINATION OF VERIFICATION AND
3 POSSIBLE ENFORCEMENT ALONG WITH THE BUILDING OF THE
4 PARTNERSHIPS AND THE ASSISTANCE AND ALL THAT. SO I
5 THINK THAT NO. 4, FOR EXAMPLE, IS PRETTY IMPORTANT FROM
6 THE STANDPOINT OF INDICATING THAT THAT'S -- WE'D STILL
7 PREFER COOPERATIVE SOLUTIONS AS OPPOSED TO ENFORCEMENT
8 OPTIONS, YOU KNOW. SO I THINK IT'S IMPORTANT TO KEEP
9 THEM ALIVE ON A PARALLEL TRACK AND NOT BE TALKING ABOUT
10 ELIMINATING THE COOPERATIVE TRACK IF WE'RE TALKING
11 ABOUT TRYING TO VERIFY COMPLIANCE.

12 MS. TRGOVCICH: I THINK ALL WE'RE SUGGESTING
13 IS WAITING TO DETERMINE IF WE SHOULD PROCEED WITH THAT.
14 IF THE CERTIFICATION FORMS COME BACK AND SHOW -- THEY
15 COULD SHOW A NUMBER OF THINGS. THEY COULD SHOW, FOR
16 EXAMPLE, THAT ON A MANUFACTURER-BY-MANUFACTURER BASIS
17 BY IN LARGE EVERYONE IS IN COMPLIANCE, IN WHICH CASE
18 THERE MAY BE SOME QUESTION AROUND THE APPROPRIATENESS
19 OR VALUE OF THE PARTNERSHIPS AND, TWO, THAT THOSE FORMS
20 OR SURVEYS OR WHATEVER COULD ALSO SHOW THAT THERE MAY
21 BE A SPECIFIC SEGMENT OF THE INDUSTRY THAT WE WOULD
22 WANT TO TARGET, AND THAT INFORMATION WOULD BE EXTREMELY
23 HELPFUL.

24 BOARD MEMBER CHESBRO: AS LONG AS IT'S STATED
25 CLEARLY THAT WAY SO THAT IT DOESN'T APPEAR THAT WE'RE



1 CHOOSING ONE ROUTE OVER THE OTHER AT THIS POINT. I

2 GUESS THAT'S MY POINT.

3 MS. TRGOVCICH: I THINK WHAT I WOULD SAY AND

4 WHAT I SAID AT THE BEGINNING IS THAT WE WOULD SEE IF

5 THE INDUSTRY OVERALL WAS IN COMPLIANCE, THAT THE BOARD

6 MAY WANT TO CONSIDER WHETHER OR NOT TO PURSUE

7 PARTNERSHIPS IN GENERAL.

8 CHAIRMAN PENNINGTON: OKAY.

9 BOARD MEMBER FRAZEE: QUESTION.

10 CHAIRMAN PENNINGTON: YES, MR. FRAZEE.

11 BOARD MEMBER FRAZEE: THIS WHOLE SUBJECT

12 MATTER DEALS WITH THE 1996 CALENDAR YEAR AND '96

13 CALENDAR YEAR ONLY.

14 MR. NUFFER: CORRECT.

15 BOARD MEMBER FRAZEE: AND WHEN DID THE FOOD

16 AND COSMETIC EXEMPTION TAKE EFFECT? JANUARY 1, '97, OR

17 JANUARY 1, '96?

18 MS. TRGOVCICH: AS A PERMANENT EXEMPTION, YES.

19 THEY WERE ON -- DEBBIE CAN JUMP IN IF SHE WANTS. I'M

20 SURE THERE'S A LOT OF FOLKS IN THE AUDIENCE THAT ARE AS

21 ADEPT AT THIS. BUT THERE WERE EXEMPTIONS IN STATUTE.

22 WHAT HAPPENED WITH THE BILL WAS THAT IT PERMANENTLY

23 DROPPED THEM OUT.

24 MS. BORZELLERI: IT WAS EFFECTIVE JANUARY 1,

25 '97, THE PERMANENT EXEMPTION.



1 BOARD MEMBER CHESBRO: THEY STILL AFFECT THE
2 RECYCLING RATE, THOUGH, RIGHT, EVEN THOUGH THOSE
3 CONTAINERS ARE EXEMPT?

4 BOARD MEMBER FRAZEE: OH, YES.

5 MR. NUFFER: CORRECT. WE HAVE TO SURVEY
6 EVERYBODY FOR THE RECYCLING RATE OR TRY TO CAPTURE
7 EVERYONE FOR THE ANNUAL RECYCLING RATE, BUT EVERYBODY
8 IS NOT NECESSARILY COVERED BY THIS.

9 BOARD MEMBER FRAZEE: SO YOU COULD HAVE THE
10 SITUATION WHERE IF YOU FOLLOW THIS THROUGH TO THE
11 ULTIMATE, YOU'RE SURVEYING -- BECAUSE THE FOOD
12 MANUFACTURERS ARE NOT EXEMPT IN '96, YOU'RE SURVEYING
13 THEM AND YOU'RE FINDING THEM OUT OF COMPLIANCE, AND, IN
14 EFFECT, YOU'RE PUTTING THEM IN JEOPARDY OF A FINE FOR
15 SOMETHING THAT THEY CAN'T DO ANYTHING ABOUT AND IS NOW
16 EXEMPT; IS THAT RIGHT?

17 MR. NUFFER: I'LL DEFER TO DEBBIE.

18 MS. BORZELLERI: I'M SORRY. PLEASE ASK
19 AGAIN.

20 BOARD MEMBER FRAZEE: THE EFFECT OF THIS
21 TIMING, IF WE'RE DEALING ONLY WITH 1996 YEAR, AND WE'RE
22 SURVEYING PRODUCERS OR USERS, I SHOULD SAY, OF RPPC'S
23 FOR THE '96 YEAR AND THE FOOD PRODUCTS WERE NOT EXEMPT
24 AT THAT TIME, THEN IT WOULD INCLUDE FOOD CONTAINERS.
25 MS. BORZELLERI: THEY WERE NOT EXEMPT. THERE



1 WAS A TEMPORARY EXEMPTION THAT EXISTED UNTIL JANUARY 1,
2 '97, SO THEN IT BECAME PERMANENT ON JANUARY 1, '97.

3 BOARD MEMBER FRAZEE: SO THEY WERE EXEMPT
4 DURING THE CALENDAR '96.

5 MS. BORZELLERI: YES.

6 MS. TRGOVCICH: YES. THERE WAS THE TEMPORARY
7 EXEMPTION. WHAT THE BILL DID WAS IT MADE THAT
8 EXEMPTION PERMANENT, BUT SECTION 42310.1 PROVIDED THAT
9 EXEMPTION TO THEM.

10 BOARD MEMBER FRAZEE: SO THAT WE WOULD NOT BE
11 GOING AFTER CONTAINERS THAT HAD FOOD.

12 MS. TRGOVCICH: WE WOULD NOT BE PURSUING THOSE
13 MANUFACTURERS, CORRECT. BUT I THINK WHAT YOU NEED TO
14 GO BACK TO IS WHAT JOHN SAID, AND THAT IS BUT WHAT THEY
15 DO IS THEY'RE CAPTURED IN THE CALCULATION OF THE RATE.
16 50 YOU COULD POTENTIALLY HAVE A SEGMENT THAT
17 CONTRIBUTED TO THE LOWER RATE. IT'S POSSIBLE THAT YOU
18 WOULD BE PURSUING THE 21 SIC CODES THAT JOHN MENTIONED,
19 AND THE MANUFACTURERS THAT MAY HAVE CONTRIBUTED MORE
20 HEAVILY TO THE LOWERING OF THE RATE THAT WE SAW MAY NO
21 LONGER BE THE SUBJECT OF THE CERTIFICATIONS OR
22 FOLLOW-UP ENFORCEMENT.

23 BOARD MEMBER FRAZEE: I THINK THAT'S THE POINT
24 I WAS GETTING TO IS THAT THERE'S DRAMATIC DISTORTIONS
25 THAT COME ABOUT IN DEALING WITH GOING BACK THAT FAR



1 BACK AND TRYING TO GET COMPLIANCE ON SOMETHING THAT
2 SOMEONE CAN'T COMPLY WITH. THERE'S NO WAY THAT YOU CAN
3 COMPLY AFTER THE FACT. AND SO YOU'RE PUTTING PEOPLE AT
4 JEOPARDY OF FINES AND OTHER THINGS THAT CAN DO NOTHING
5 ABOUT THAT.

6 JUST ONE OTHER OBSERVATION. THE -- IN
7 DETERMINING THE RECYCLING RATE, THE FOOD CONTAINERS,
8 EVEN THOUGH THEY'RE EXEMPT FROM THE REQUIREMENT OF
9 HAVING A PERCENTAGE OF RECYCLED PRODUCT, THAT'S THE
10 ONLY EXEMPTION THEY HAVE, THEY'RE NOT EXEMPT FROM THE
11 ENTIRE PROGRAM. THEY'RE ONLY EXEMPT FROM THE USE OF
12 RECYCLED MATERIAL IN THEIR CONTAINER; IS THAT RIGHT?

13 MS. TRGOVCICH: WHAT DO YOU REFER TO AS THE
14 ENTIRE PROGRAM BEYOND TIE --

15 BOARD MEMBER FRAZEE: THE RPPC'S THAT CONTAIN
16 FOOD ARE STILL COUNTED IN THE RECYCLING RATE IN SPITE
17 OF THE FACT THAT THEY ARE EXEMPT FROM THE REQUIREMENT
18 TO HAVE RECYCLED-CONTENT.

19 MS. TRGOVCICH: THEY STILL FIT INTO THE
20 OVERALL NUMBERS.

21 BOARD MEMBER FRAZEE: YES. SO, YOU KNOW,
22 LOGIC TELLS ME THAT THE MAJOR CONTRIBUTION TO THE
23 RECYCLING RATE COMES FROM FOOD CONTAINERS.

24 MS. TRGOVCICH: WE WOULD NEED - - WE COULD
25 POSSIBLY DO THIS FOR YOU -- IS TO GO BACK AND REVISIT



1 THE SURVEY METHODOLOGY THAT WENT INTO THE DEVELOPMENT
2 OF THE RATE, HOW WE LOOKED AT THE NUMERATOR, HOW WE
3 LOOKED AT THE DENOMINATOR, AND THE INSTRUCTIONS THAT
4 WERE GIVEN IN TERMS OF WHAT TO COUNT. THERE WERE SOME
5 VERY EXPLICIT INSTRUCTIONS GIVEN IN TERMS OF WHAT TO
6 COUNT, WHAT TO QUANTIFY IN TERMS OF WHAT CONSTITUTES AN
7 RPPC.

8 BOARD MEMBER FRAZEE: THAT DID INCLUDE FOOD
9 CONTAINERS.

10 MS. TRGOVCICH: YES.

11 BOARD MEMBER FRAZEE: EVEN THOUGH THEY WERE
12 EXEMPT FROM THE REQUIREMENT TO HAVE POSTCONSUMER
13 PRODUCT AND MORE TO MEETING THE OTHER OPTIONS THAT THEY
14 HAVE, THE SOURCE REDUCTION AND ALL OF THAT, THAT THE
15 LEGISLATION EXEMPTED THEM FROM THAT. BUT THE POINT
16 THAT I'M MAKING IS THEY'RE STILL COUNTED IN THE
17 RECYCLING RATE AND ARE PROBABLY THE MAJOR CONTRIBUTOR
18 TO RECYCLED CONTAINERS. WHEN YOU TAKE MILK JUGS AND
19 PETE BOTTLES, THAT CONSTITUTES, IN MY BELIEF, THE MAJOR
20 PORTION OF THE RECYCLING RATE.

21 SO, AGAIN, MY POINT IS JUST TO POINT OUT
22 THE MASSIVE CONVOLUTIONS THAT WE GO THROUGH IN GETTING
23 TO THIS THING AND THEN PUTTING SMALL USERS AT JEOPARDY
24 OF BEING FINED WHEN THE BIG USERS ARE NOT PLAYERS IN
25 THE GAME.



1 CHAIRMAN PENNINGTON: GOOD POINT.

2 BOARD MEMBER CHESBRO: MR. CHAIRMAN.

3 CHAIRMAN PENNINGTON: YES. MR. CHESBRO.

4 BOARD MEMBER CHESBRO: WITH REGARDS TO THE

5 QUESTION OF WHETHER OR NOT WE SHOULD BE TRYING TO

6 DETERMINE WHETHER THERE WAS COMPLIANCE IN 1996, IF WE

7 DON'T DO THAT, THEN THERE WILL NEVER BE A SITUATION

8 WHERE WE SEND OUT THE MESSAGE FOR FUTURE COMPLIANCE

9 THAT THERE IS A STATUTE IN PLACE. I MEAN I THINK WE

10 SHOULD TAKE THE ARGUMENT MR. FRAZEE MADE INTO ACCOUNT

11 AT THE POINT WHERE WE DECIDE WHAT TO DO ABOUT IT ON THE

12 COMPLIANCE QUESTION. BUT IF WE NEVER DETERMINE -- MAKE

13 AN ATTEMPT TO DETERMINE WHETHER COMPLIANCE HAS

14 OCCURRED, I DON'T THINK THAT THE REGULATED BUSINESSES

15 WILL EVER REALIZE THAT, GEE, I BETTER BE THINKING ABOUT

16 WHAT WE'RE DOING RIGHT NOW IN ORDER TO DETERMINE

17 WHETHER WE'RE IN COMPLIANCE FOR THIS YEAR. AND SO I

18 THINK IT'S AN ABSOLUTE ESSENTIAL THAT WE TRY TO

19 DETERMINE AS BEST WE CAN WITH THE BEST AVAILABLE

20 INFORMATION WHAT DEGREE OF COMPLIANCE TOOK PLACE IN

21 1996 WITH THESE INDIVIDUALS FIRMS. AND BESIDES THAT,

22 IT'S A STATUTE, YOU KNOW. IT'S THE LAW. THEY'RE

23 SUPPOSED TO BE IN COMPLIANCE.

24 CHAIRMAN PENNINGTON: OKAY. THANK YOU. ANY

25 OTHER QUESTIONS OF STAFF BEFORE WE HEAR FROM THE



1 PUBLIC?

2 BOARD MEMBER EATON: I JUST HAVE A COUPLE OF
3 COMMENTS TO FOLLOW UP ON MR. FRAZEE'S COMMENTS. WITH
4 REGARD TO THE ONLY WAY WE CAN UNDERSTAND COMPLIANCE,
5 OTHER THAN THE RATE THAT'S BEEN CALCULATED, IS TO DELVE
6 FURTHER INTO THE FOUR OTHER OPTIONS TO SEE IF THEY
7 COMPLY; IS THAT CORRECT?

8 MR. NUFFER: YES.

9 BOARD MEMBER EATON: AND THAT PROCESS IS BY
10 SENDING OUT THE CERTIFICATION FORMS, CORRECT?

11 MR. NUFFER: THAT'S THE WAY IT WAS SPELLED OUT
12 IN THE REGULATIONS THAT THE BOARD ADOPTED.

13 BOARD MEMBER EATON: AND IT'S ALSO PART OF THE
14 STATUTE, IS IT NOT?

15 MR. NUFFER: I BELIEVE IT IS.

16 BOARD MEMBER EATON: SO WHAT WE HAVE HERE IS A
17 STATUTORY SCHEME WHICH GIVES US A ROAD MAP BY WHICH TO
18 DETERMINE WHETHER OR NOT THERE WERE COMPLIANCE. SO IF
19 THEY FAIL IN THE SENSE OF THE CALCULATED RATE, THERE'S
20 STILL AN ABILITY FOR US TO SAY THAT CERTAIN SEGMENTS,
21 CERTAIN COMPANIES, CERTAIN OTHER ENTITIES DID COMPLY
22 WITH THE STATUTE IN 1996 AS LONG AS THEY MET THE OTHER
23 FOUR CRITERIA THROUGH THE CERTIFICATION PROCESS,
24 CORRECT?

25 MS. TRGOVCICH: THERE IS THAT ABILITY. WE



1 CERTAINLY DO IT, BUT I'D JUST LIKE TO POINT OUT THAT
2 THE BOARD HAS WHAT I BELIEVE COUNSEL WILL CALL
3 PROSECUTORIAL DISCRETION AS TO WHETHER OR NOT THEY WANT
4 TO PURSUE THAT ROAD MAP, AS YOU CALL IT, LAID OUT IN
5 THE STATUTE. PART OF WHAT THE ITEM WAS THAT WAS HEARD
6 BEFORE PLANNING COMMITTEE AND IS BEING HEARD HERE AGAIN
7 TODAY IS DOES THE BOARD WANT TO PURSUE THAT PROCESS;
8 AND IF SO, WHAT WOULD THAT LOOK LIKE?

9 BOARD MEMBER EATON: I WOULD ALSO SAY THAT
10 WHEN WE HAVE LOCAL GOVERNMENTS JUST A COUPLE WEEKS AGO
11 THAT WE'VE TAKEN THE PROSECUTORIAL DISCRETION TO FINE
12 THEM, THAT SHOULD WE TREAT ANOTHER SEGMENT OF THE
13 ECONOMY ANY DIFFERENTLY AND SHOULDN'T WE NOT PROCEED IN
14 THE SENSE THAT WE DON'T NEED AN ENTIRE LIST. I WOULD
15 DISAGREE WITH THE FACT THAT WE NEED AN ENTIRE LIST TO
16 GO OUT THERE AND JUST TRY AND FIND OUT WHO'S
17 MANUFACTURING WHEN YOU CAN SIMPLY GO TO THE WEB PAGE,
18 AS I ASKED MY STAFF TO DO FIVE MINUTES AGO, AND CAME UP
19 WITH A TWO- OR THREE-PAGE LIST OF ALL THE
20 MANUFACTURERS.
21 AND I THINK WE HAVE TO FOLLOW UP ON MR.
22 CHESBRO'S COMMENTS TO BEGIN NOW. AND IF WE TAKE 50 OR
23 HUNDRED OR 25 AND BEGIN THE PROCESS BY WHICH WE CAN AT
24 LEAST GET SOME ADDITIONAL INFORMATION, THE STATUTE IS
25 ALSO VERY CLEAR THAT THESE INDIVIDUALS OR ENTITIES MUST



1 MAINTAIN THEIR DOCUMENTATION, AS WE HAVE OUR TAX
2 RECORDS, FOR AT LEAST TWO YEARS FOLLOWING THE END OF
3 THE COMPLIANCE PERIOD.
4 50 THE FACT THEY CANNOT SAY - - THEY WOULD
5 BE IN VIOLATION OF STATUTE IF THEY DID NOT, AND THAT'S
6 NOT PROSECUTORIAL DISCRETION, MAINTAIN THOSE RECORDS.
7 AND I THINK ONE OF THE OTHER THINGS THAT WE OUGHT TO BE
8 AWARE OF WITH REGARD TO THIS TO BE ABLE TO MOVE THE
9 ROCK DOWN THE ROAD A LITTLE BIT IS THAT ONCE WE GET THE
10 CERTIFICATION FORMS BACK AND STAFF HAS HAD AN
11 OPPORTUNITY, ALONG WITH THE BOARD, TO VIEW THEM IN A
12 PUBLIC HEARING, PROPERLY NOTICED, THAT IF WE DO FIND
13 SOME SITUATIONS WHICH MAY OR MAY NOT BE HELPFUL, I
14 THINK THAT MR. FRAZEE I RIGHT. THE FACT THAT FOOD
15 PRODUCTS WERE EXEMPT COULD ACTUALLY DRIVE THE RATE
16 LOWER, THAT THE RATE WAS EVEN LOWER THAN WE THOUGHT AS
17 OPPOSED TO RAISING THE RATE. I THINK THE FOOD
18 PRODUCTS, TO A LARGE DEGREE, HAVE ASSISTED IN KEEPING
19 THE RATE CLOSE TO THE 25 ACTUALLY BECAUSE THEY HAVE
20 DONE A MUCH BETTER JOB IN SOME SEGMENTS THAT, AT LEAST
21 WITH REGARD TO OUR PROCESS, THEN WE WOULD THEN UNDER
22 THE STATUTE AUDIT, AS REQUIRED UNDER THE STATUTE, OR WE
23 MAY AUDIT THOSE CERTIFICATIONS FORMS TO BE ABLE TO
24 DETERMINE EXACTLY WHAT KIND OF INFORMATION THAT'S
25 THERE.



1 I THINK THE BENEFIT TO A CERTIFICATION
2 PROCESS IS IT GIVES THE INDUSTRY A SECOND CHANCE BY
3 WHICH TO COME INTO COMPLIANCE. IF WE JUST STICK AT THE
4 NUMBER, WE'RE JUST GOING TO BE BANGING HEADS ALL ALONG.
5 THAT STATUTE GIVES US A SPECIFIC ROAD MAP BY WHICH WE
6 GIVE THOSE ACTORS, NOT A TRADE ASSOCIATION, NOT AN
7 ORGANIZATION, BUT INDIVIDUAL MANUFACTURERS SAY, HEY,
8 WE'RE -- WE DO NOT NEED TO BE FINED. WE ARE NOT PART
9 OF THAT SEGMENT THAT IS NOT COMPLYING WITH THE
10 STATUTE. AND THAT'S WHAT I THINK THE BENEFIT IS TO THE
11 STATUTORY SCHEME.

12 CHAIRMAN PENNINGTON: MR. FRAZEE.

13 BOARD MEMBER FRAZEE: ONE POINT, THE LIST OF
14 PEOPLE THAT WE'RE DEALING WITH IS NOT AS SIMPLE AS TWO-
15 OR THREE-PAGE COMPUTER PRINTOUT. THIS ENFORCEMENT GOES
16 AGAINST THE FILLER OF THE CONTAINER, NOT THE CONTAINER
17 MANUFACTURER. AND THAT GETS INTO TENS OF THOUSANDS OF
18 COMPANIES THAT USE RPPC'S, AND THAT'S WHERE YOUR
19 ENFORCEMENT PROBLEM COMES IN.

20 I THINK, AS WE HEARD TESTIMONY IN THE
21 COMMITTEE FROM MAJOR PRODUCERS, THEY ARE ALREADY IN
22 COMPLIANCE. SO I KNOW THEY'RE VERY PROUD OF WHAT
23 THEY'RE DOING. WE HEARD A PRESENTATION BY CLOROX
24 COMPANY THAT FAR EXCEEDS COMPLIANCE. SO YOU ARE
25 GETTING DOWN TO THE LITTLE -- THE SMALL SUPPLIERS. AND



1 THEN AGAIN YOU EXEMPT THE FOOD AND COSMETICS LINE, AND
2 YOU ARE GETTING TO EVEN A SMALLER SIZE COMPANY, BUT A
3 MULTITUDE OF THOSE SMALLER COMPANIES THAT, YOU KNOW,
4 ARE GOING TO HAVE SOME DIFFICULTY COMPREHENDING THIS
5 WHOLE THING, ESPECIALLY WHEN PROBABLY A GOOD HALF OF
6 THEM ARE LOCATED OUTSIDE OF CALIFORNIA OR EVEN OFFSHORE
7 BASED COMPANIES. SO YOU GET INTO, YOU KNOW, A PRETTY
8 UNEVEN COMPLIANCE ATTEMPT, I THINK.

9 BOARD MEMBER EATON: BUT THAT ASSUMES THAT YOU
10 HAVE TO GO AFTER THE ENTIRE UNIVERSE TO BEGIN THE
11 PROCESS. AND MY POINT IS SIMPLY THAT WE DO NOT HAVE TO
12 GO DOWN THAT ROAD, THAT WE HAVE TO FIND THE ENTIRE
13 UNIVERSE BECAUSE WE NEVER WILL. THAT'S THE WHOLE KIND
14 OF FACADE ABOUT WHY WE CAN'T GET TO WHERE WE NEED TO
15 GET TO BECAUSE EVERYONE SAYS WE NEED TO TRY AND GET
16 THIS WONDERFUL DATABASE. WE DO HAVE INFORMATION. I
17 THINK THE INFORMATION IS AVAILABLE BY WHICH WE CAN
18 START THE PROCESS. ONLY THROUGH ADDITIONAL
19 INFORMATION, AND I WOULD AGREE WITH YOU, THAT CAN WE
20 REALLY DETERMINE WHICH OF THESE TYPES OF ENTITIES ARE
21 IN COMPLIANCE OR NOT COMPLIANCE.
22 I THINK WE HAVE A STATUTORY OBLIGATION,
23 QUITE FRANKLY, IRRESPECTIVE OF THE VOLUNTARY
24 COMPLIANCE, BY WHICH WE HAVE TO ACT, AND I THINK IT'S
25 NOT IN THIS BOARD'S BEST INTEREST IF WE SEND THE WRONG



1 MESSAGE.

2 BOARD MEMBER FRAZEE: ONE FURTHER POINT. YOU
3 USED THE EXAMPLE OF OUR ENFORCEMENT AGAINST LOCAL
4 JURISDICTIONS. WE DID KNOW WHAT THE UNIVERSE WAS
5 THERE. WE KNEW WHAT A HUNDRED PERCENT OF THE UNIVERSE
6 WAS, SO WE WERE NOT APPLYING IT UNFAIRLY. WE WERE
7 TREATING - - WHERE WE FINED FOUR JURISDICTIONS, WE WERE
8 TREATING THE OTHER 528 OR WHATEVER IT IS FAIRLY IN
9 THAT, AND WE KNEW WHAT THE UNIVERSE WAS.
10 IN THIS I DON'T THINK WE HAVE ANY IDEA,
11 AND IT'S GOING TO BE EXTREMELY COSTLY TO FIND OUT AND
12 TO APPLY THIS FAIRLY.

13 BOARD MEMBER CHESBRO: MR. CHAIRMAN.

14 CHAIRMAN PENNINGTON: MR. CHESBRO.

15 BOARD MEMBER CHESBRO: I'VE TOLD THIS STORY
16 SEVERAL TIMES, SO FORGIVE ME, BUT I THINK THERE IS
17 EVIDENCE THAT SUBSTANTIAL COMPLIANCE ON A VOLUNTARY
18 BASIS CAN BE DRIVEN SIMPLY BY THE STATE OF CALIFORNIA
19 THROUGH THIS BOARD, WHO'S GIVEN THE AUTHORITY TO SEND
20 THE SIGNALS OUT, THAT THE LAW IS IN PLACE AND IT'S
21 FUNCTIONING AND WE INTEND TO PROCEED.

22 I WAS - - I HAD A CONVERSATION AT THE
23 NATIONAL RECYCLING CONGRESS IN PITTSBURGH OVER A YEAR
24 AGO WITH AN INDIVIDUAL THAT REPRESENTS THE SUPPLIERS OF
25 RECYCLED RESINS TO THE FOOD -- THE PRODUCT



1 MANUFACTURERS. AND HE SAID TO ME THAT THERE WERE LARGE
2 NUMBERS OF MANUFACTURERS WHO WERE WATCHING AND WHO
3 HAVE, AS PART OF THEIR MISSION STATEMENT AND ETHICS OF
4 THEIR COMPANIES, ENVIRONMENTAL COMPLIANCE. SO THE
5 SIGNAL IS THEY'RE EXPECTED TO COMPLY, THEN THEY'RE
6 GOING TO ORDER THE RESIN AND PROCURE THE CONTAINERS AND
7 MOVE FORWARD.
8 AND WHILE THAT MAY NOT ACHIEVE THE
9 HUNDRED PERCENT COMPLIANCE, AND WE'LL STILL HAVE THE
10 DIFFICULTY OF TRYING TO DECIDE HOW FAR WE GO TO TRY TO
11 ACHIEVE A HUNDRED PERCENT COMPLIANCE, THOSE DECISIONS
12 ARE OFF IN THE FUTURE. I THINK THE ACTIONS THAT WE
13 TAKE RELATIVE TO CARRYING OUT STATUTE AND INDICATING
14 THAT THAT IS THE OFFICIAL STATUTE AND POLICY OF THE
15 STATE OF CALIFORNIA AND WE INTEND TO PROCEED WITH IT
16 WILL, IN FACT, TRIGGER AMONGST AT LEAST THOSE COMPANIES
17 OF GOODWILL, AND THERE'S A LOT OF THEM, A SUBSTANTIAL
18 AMOUNT OF COMPLIANCE, AS HAS HAPPENED WITH LOCAL
19 GOVERNMENT. WE ONLY HAD TO FINE, IF YOU REMEMBER, ON
20 THIS PLANNING PROCESS A VERY SMALL NUMBER OF
21 JURISDICTIONS. AND I THINK CERTAINLY THE SAME THING --
22 A SIMILAR THING WOULD HAPPEN WITH INDUSTRY RELATIVE TO
23 THEIR ATTEMPTS -- THEIR DESIRE TO NOT BE OUT OF
24 COMPLIANCE WITH CALIFORNIA'S ENVIRONMENTAL
25 REQUIREMENTS.



1 BOARD MEMBER JONES: MR. CHAIRMAN.

2 CHAIRMAN PENNINGTON: MR. JONES.

3 BOARD MEMBER JONES: I'M -- I DON'T HAVE A

4 PROBLEM. I THINK WE NEED TO UPHOLD THE STATUTE, BUT I

5 THINK THERE'S AN AWFUL LOT OF ISSUES THAT HAVE BEEN

6 BROUGHT UP BOTH AT THE COMMITTEE AND IN THIS DISCUSSION

7 TODAY ABOUT JUST WHAT THIS UNIVERSE IS. AND WHILE THIS

8 PART OF IT IS A MINIMUM CONTENT PART, AND, YOU KNOW,

9 THESE PEOPLE THAT ARE -- HOW DO WE KNOW THAT THEY'RE

10 GOING TO VERIFY? I MEAN WE'RE GOING TO HAVE TO DO SOME

11 RANDOM SELECTIONS. WE'RE GOING TO -- IF THE NOTICES GO

12 OUT TO GET AN IDEA OF WHERE WE'RE AT, HAVE WE HIT, AS

13 MR. FRAZEE SAID, THAT UNIVERSE THAT -- SINCE WE IMPORT

14 AN AWFUL LOT OF MATERIAL INTO THIS COUNTRY. SO I DON'T

15 WANT TO SEE US HAPHAZARDLY OR NOT HAPHAZARDLY -- I

16 DON'T WANT TO SEE US WRITE A RESOLUTION THAT HASN'T

17 DEVELOPED AN AWFUL LOT OF THOUGHT INTO WHAT EXACTLY

18 WE'RE TRIGGERING BECAUSE PART OF THE DISCUSSION, NOT ON

19 THE MINIMUM CONTENT SIDE, BUT ON THE COLLECTION SIDE,

20 WHERE WE TALKED ABOUT WHEN WE TALKED ABOUT THE APC

21 RATE, OR I MEAN THE RPPC RATE, AS FAR AS WHAT WAS

22 COLLECTED AND WHAT WASN'T, IT WAS PRESENTED TO US THAT

23 THERE IS ALL THIS CAPACITY THAT IS AVAILABLE THAT ISN'T

24 BEING UTILIZED.

25 AND WHILE I THINK, YOU KNOW, THAT THE



1 ADAGE "BUILD IT AND THEY WILL COME" MIGHT WORK IN SOME
2 THINGS, DEPENDS ON HOW BIG YOU MAKE SOMETHING AS TO HOW
3 MUCH CAPACITY YOU HAVE. BUT I'M CONVINCED THAT PART OF
4 THE PROBLEM NEEDS TO BE VOLUNTARY IN RESPECT OF THERE
5 ARE FIVE PIECES IN THIS CHAIN OF -- ON THE COLLECTION
6 SIDE. THERE IS THE CONSUMER, THE CITIZEN THAT PUTS THE
7 MATERIAL OUT OR BRINGS IT TO A BUY-BACK CENTER, THERE
8 IS AN OPERATOR THAT EITHER PAYS FOR IT OR TAKES IT,
9 DOES SOME FURTHER PROCESSING, THERE IS A PROCESSOR THAT
10 ENDS UP BALING IT OR PUTTING IT INTO A MATERIAL THAT
11 CAN GO TO MARKET, AND THEN A LOT OF THESE PEOPLE NEED
12 TO RELY ON A BROKER THAT IS GOING TO COME INTO THE
13 PICTURE AND DETERMINE WHAT THE PRICE IS THAT THEY'RE
14 GOING TO PAY, AND THEN IT'S GOING TO GO TO AN END USER.
15 AND I THINK IF YOU GO BACK WHEN
16 PLASTIC -- WHEN RECOVERED PLASTIC WAS UP AROUND 32
17 CENTS A POUND, WHEN THESE SURVEYS WERE DONE AS TO HOW
18 MUCH WAS COLLECTED AND HOW MUCH GOT TO AN END USER,
19 BASICALLY THE EXERCISE WE WENT THROUGH A COUPLE MONTHS
20 AGO, THE NUMBER WAS VERY SIMILAR. WHAT HAD BEEN
21 COLLECTED WENT TO AN END USER. SO THERE WAS
22 VERIFICATION INTO DETERMINING THE RPPC RATE AND THE
23 NUMERATORS AND ALL THOSE GOOD THINGS BECAUSE -- BUT
24 WHAT HAS HAPPENED IS THE PRICE NOW IS 13 CENTS OR IT'S
25 16 CENTS. SO HOW MUCH IS BEING COLLECTED? HOW MUCH



1 HAVE THE CITIZENS BEEN PUTTING OUT? HAVE PEOPLE BEEN
2 PICKING UP AS FAR AS CURBSIDE PROGRAMS OR BUY-BACK
3 CENTERS? AND HOW MUCH OF THAT HAS ACTUALLY FOUND ITS
4 WAY TO AN END USER, TO A MANUFACTURER.
5 I CONTEND THAT THAT NUMBER IS VERY
6 DIFFERENT BECAUSE IF IT IS IN A CURBSIDE PROGRAM, IF
7 IT'S IN A RATE, AND YOU'RE PICKING THE PRODUCT UP AND
8 IT'S GOING TO COST YOU A LOT OF MONEY TO GET IT TO A
9 PROCESSOR OR TO A BROKER OR TO HAVE A BROKER TAKE IT
10 AWAY, SOMEBODY IS GOING TO MAKE A DETERMINATION WHETHER
11 OR NOT THAT MATERIAL IS GOING TO BE LANDFILLED OR SENT
12 TO AN END USER. SO THAT'S THE RECOVERY SIDE OF THIS
13 EQUATION THAT I THINK NEEDS WORK BECAUSE YOU HAVE A
14 UNIVERSE OF BUSINESSES THAT FELT LIKE THAT RECOVERY
15 RATE WAS PART - - WAS AS PART OF THE SIX OR FIVE OPTIONS
16 THAT THEY HAD WERE PROBABLY IN PRETTY GOOD SHAPE. AND
17 WE FOUND OUT IT ISN'T. WE FOUND OUT THAT THE NUMBER,
18 IN FACT, IS LOWER, SO NOW WE'VE GOT TO GET INTO THE
19 MINIMUM CONTENT PART OF THE STATUTE.
20 ALL I WANT TO MAKE SURE -- ALL I WOULD
21 LIKE TO CAUTION PEOPLE ABOUT, I'M NOT -- I'M NOT A FAN
22 OF THE IDEA THAT PLASTICS GOES UNCHECKED, THAT THEY GET
23 AN ADVANTAGE IN THE MARKETPLACE WHEN PAPER AND GLASS
24 MANUFACTURERS ARE -- ARE DOING THEIR PART TO MAKE SURE
25 THAT THERE IS ENOUGH CONTENT IN THERE SO THAT WE HAVE



1 MARKETS, SO I DON'T WANT THIS TO BE MISINTERPRETED.
2 PLASTICS KNOWS VERY WELL THAT I AM NOT HAPPY ABOUT THE
3 FACT THAT WE'RE NOT RECYCLING A LOT MORE OF THAT. BUT
4 AS WE START TO DEVELOP THIS RESOLUTION, REMEMBER ONE
5 OTHER THING. WE'VE COME UP WITH A STRATEGIC PLAN AT
6 THIS BOARD THAT SAYS WE'RE GOING TO ATTACK LARGE
7 PORTIONS OF THE WASTESTREAM AND DEAL WITH THOSE. AND
8 I'M NOT SAYING TO DISMISS THIS STATUTE AND NOT DO OUR
9 JOB AND NOT SEND OUT THAT MESSAGE, BUT I WANT TO MAKE
10 SURE THAT WE DON'T LOSE SIGHT OF THE BALL.
11 AND THE BALL IN MY MIND IS GETTING TO 50
12 PERCENT AND MAKING SURE THAT WE'RE NOT GOING TO WRITE A
13 RESOLUTION THAT PULLS STAFF AWAY FROM THE C&D PROJECTS
14 WE'RE TRYING TO IDENTIFY, TO GO AFTER THAT 30 PERCENT
15 OF THE WASTESTREAM, THE ORGANICS, THOSE TYPES OF ISSUES
16 WHERE WE'VE DEPLETED THAT EFFORT IN ORDER TO DEAL WITH
17 THIS EFFORT. AND SOMEHOW, AS WE WORK THROUGH A
18 RESOLUTION THAT TAKES EVERYBODY'S CONSIDERATIONS IN
19 PLACE, WE NEED TO BE AWARE OF THAT PART OF OUR MISSION
20 TO CONTINUE TO UPHOLD THAT STRATEGIC PLAN, AS WELL AS
21 THE STATUTES THAT ARE WRITTEN. AND I JUST OFFER THAT
22 BECAUSE I SEE THIS THING BECOMING A HUGE -- A HUGE
23 INVESTMENT OF STAFF TIME WHEN, PERSONALLY, I WISH WE
24 COULD JUST GO AFTER THE VIRGIN MANUFACTURERS OF THIS
25 PRODUCT AND MAKE SURE THAT THEY GET SLAPPED AROUND A



1 LITTLE BIT, BUT THAT'S NOT THE CASE. WE CAN'T DO THAT,
2 YOU KNOW. BUT I JUST THINK THERE NEEDS TO BE SOME WORK
3 ON BOTH FRONTS, AND WE CAN'T LOSE TRACK OF WHAT OUR
4 MISSION IS, TO GET TO 50 PERCENT. THANKS, MR.
5 CHAIRMAN.

6 BOARD MEMBER CHESBRO: MR. CHAIRMAN.

7 CHAIRMAN PENNINGTON: MR. CHESBRO.

8 BOARD MEMBER CHESBRO: MR. JONES, YOU REFER TO
9 THE RECYCLING RATE GOING DOWN AT LEAST IN PART BECAUSE
10 OF LOWER PRICES. IN MY EXPERIENCE THE ONLY WAY TO
11 INCREASE THOSE PRICES IS TO INCREASE THE DEMAND. I
12 THINK WE HAVE SOME TOOLS AT HAND HERE THAT ARE INTENDED
13 TO HELP, BY LEGISLATURE, TO HELP US INCREASE THE
14 DEMAND. AND THAT'S A LARGE PART OF THE REASON WHY I'M
15 IN FAVOR OF PROCEEDING.

16 AGAIN, I WANT TO SAY THAT I THINK IT'S
17 PREMATURE FOR US TO MAKE ALL THE DECISIONS AND TO
18 DECIDE HOW HARD AND FAST TO BE. BUT I THINK UNTIL WE
19 HAVE MORE INFORMATION FROM MANUFACTURERS, I DON'T KNOW
20 THAT WE CAN DO MUCH OF ANYTHING.

21 CHAIRMAN PENNINGTON: I THINK THAT STAFF HERE
22 HAD SOME ALTERNATIVE APPROACHES TO THIS TOO.

23 MS. TRGOVCICH: AS I STATED EARLIER, WE LOOKED
24 AT SOME OPTIONS POSTCOMMITTEE MEETING WHEN WE WERE,
25 BASED UPON THE DISCUSSION OR DIALOGUE IN THE COMMITTEE



1 MEETING, WE NEEDED SOME CLARITY AROUND WHETHER OR NOT
2 THIS WAS TO BE A MANDATORY CERTIFICATION OR A VOLUNTARY
3 EFFORT. SO WHAT WE WERE LOOKING AT AT THAT POINT IN
4 TIME WAS PRESENTING TO THE BOARD AN OPTION OF THE
5 MANDATORY CERTIFICATION, WHICH HAS BEEN THE TOPIC OF
6 DISCUSSION HERE.
7 AN ALTERNATIVE APPROACH WOULD BE TO
8 PURSUE, AS WE WERE DISCUSSING EARLIER, A SURVEY
9 APPROACH WHERE INSTEAD OF TARGETING THROUGH THE SIC
10 CODES AND USING THE CRITERIA SET UP IN THE REGULATIONS
11 FOR THE BOARD TO BE ABLE TO TARGET AND NOT GO AFTER THE
12 WHOLE UNIVERSE OF MANUFACTURERS, BUT A CERTAIN
13 CONTAINER TYPE OR A CERTAIN TYPE OF COMPANY SIZE OR TO
14 RANDOMLY SELECT THE MANUFACTURERS, INSTEAD OF GOING
15 THAT APPROACH DIRECTLY, WORKING THROUGH THE
16 ASSOCIATIONS AND THE LARGER MANUFACTURERS TO BE ABLE TO
17 SURVEY TO FIGURE OUT HOW THEY ARE CURRENTLY ACHIEVING
18 COMPLIANCE AND AT THE SAME TIME, AND WHAT STEP 1 WAS UP
19 THERE, WHICH WAS STILL NOTIFY -- STILL BEGIN TO DEFINE
20 YOUR UNIVERSE AND SEND THAT NOTIFICATION TO ALL THE
21 MANUFACTURERS THAT YOU MUST BE IN COMPLIANCE, BUT BEGIN
22 TO BUILD SOME INFORMATION THROUGH A SURVEY USING THE
23 ASSOCIATIONS OUT THERE TO SEE HOW IS THIS WORKING, WHAT
24 OPTIONS ARE YOU USING. SO IT'S A VERY SIMILAR
25 APPROACH.



1 IT'S MORE FOCUSED AT THE LARGER
2 ASSOCIATION LEVEL, BUT WE WOULD STILL BE BUILDING THE
3 INFORMATION AND THE BASELINE THAT I THINK MEMBER
4 CHESBRO REFERRED TO IN THE COMMITTEE MEETING OF JUST
5 WHO IS THE UNIVERSE OUT THERE SO THAT IF WE DO CONDUCT
6 OR PERFORM THE CALCULATION FOR 1997 OR 1998 AND FIND
7 THAT IT IS -- CONTINUES TO BE BELOW 25 PERCENT, THAT
8 WE'RE THAT MUCH FARTHER DOWN THE ROAD TO BE ABLE TO
9 PURSUE COMPLIANCE AT THAT POINT.

10 CHAIRMAN PENNINGTON: OKAY. WE HAVE -- YES,
11 MR. FRAZEE.

12 BOARD MEMBER FRAZEE: I JUST WANTED TO ADD
13 FUEL TO THE FIRE HERE IF I COULD, PLAY OUT A LITTLE
14 SCENARIO FOR YOU. STARTING WITH THE POINT, FIRST OF
15 ALL, THIS IS ONLY THE SECOND YEAR OF THE RELATIVELY NEW
16 PROGRAM. WE DID A '95 RATE, AND THAT '95 RATE WAS
17 BASED UPON WORK THAT INVOLVED A WASTE SORT AND A FAIRLY
18 COMPREHENSIVE SCIENTIFIC EFFORT, IF YOU WILL, TO ARRIVE
19 AT A FIGURE, AND THAT FIGURE SHOWED COMPLIANCE, ALBEIT
20 THAT'S ARGUABLE. THEN WE WENT TO THE NEXT YEAR, THIS
21 '96 YEAR, AND WE USED A SOMEWHAT DIFFERENT METHODOLOGY
22 WHERE WE EXTRAPOLATED FROM THIS AND THAT AND TOOK BITS
23 AND PIECES FROM HERE AND THERE AND CAME UP WITH A
24 NONCOMPLIANCE FIGURE.
25 NOW WE'RE IN A SITUATION WHERE WE HAVE



1 APPROVED MONEY FOR A MAJOR WASTE SORT, AND THAT CANNOT
2 BE DONE IN TIME TO AFFECT THE '97 YEAR, SO THAT'S NOT
3 GOING TO DO ANYTHING TILL THE '98 YEAR. WE HAVEN'T
4 DECIDED HOW WE'RE GOING TO CALCULATE THE '97 YEAR, BUT
5 WHAT COULD PLAY OUT ON THIS WHOLE SITUATION IS THAT WE
6 GO BACK AND DO A WASTE SORT OR EVEN DO THE SAME
7 METHODOLOGY THAT WE USED FOR THE '96 YEAR FOR THE '97
8 YEAR AND FIND THAT WE ARE IN COMPLIANCE. SO THEN WE
9 HAVE THIS CATCH 22 SITUATION WHERE WE'RE OUT ENFORCING
10 AGAINST PEOPLE FOR A ONE-YEAR CIRCUMSTANCE WHERE THEY
11 WERE IN COMPLIANCE IN '95 AND THEY WERE IN COMPLIANCE
12 IN '97, AND HERE WE ARE IN LATE '98 TRYING TO ENFORCE
13 AGAINST SOMETHING THAT HAPPENED IN '96. AND PEOPLE ARE
14 GOING TO THROW UP THEIR HANDS AND SAY WHAT KIND OF
15 CRAZY GOVERNMENT IS THIS THAT IS PURSUING THIS KIND OF
16 AN APPROACH TO ENFORCING THE LAW.
17 SO IT JUST SEEMS LIKE AN UNTENABLE
18 SITUATION TO ME AND ONE THAT PUTS A WHOLE LOT OF EFFORT
19 IN FOR DEALING WITH A MINUTE PORTION OF THE
20 WASTESTREAM.

21 BOARD MEMBER EATON: I'D LIKE TO SAY THAT I
22 AGREE WITH YOU. THE FACT OF THE MATTER IS WHAT YOU'RE
23 LOOKING AT IS YOU'RE PUTTING THE CART BEFORE THE HORSE.
24 YOU'RE TRYING TO FASHION THE REMEDY WHEN YOU HAVEN'T
25 DETERMINED THE COMPLIANCE. AND I THINK THAT'S THE



1 POINT THAT I'M TRYING TO GET AT IS THAT IF WE DO SOME
2 OF THE THINGS THAT ARE NECESSARY THAT THE STATUTE, ONE,
3 GIVES US THE AUTHORITY TO DO AND THEN, TWO, LOOK AT
4 THAT, THEN WE CAN FASHION ANY KIND OF REMEDY WE WANT,
5 VOLUNTARY COMPLIANCE, SOME OF THE STAFF
6 RECOMMENDATIONS, ALL OF THOSE THINGS.
7 THE NATURAL STEP, AFTER FINDING
8 COMPLIANCE OR NONCOMPLIANCE, ISN'T AUTOMATIC FINE.
9 THAT'S NOT WHAT I'M TRYING TO GET AT. I'M TRYING TO
10 GET AT A WAY THAT WE CAN GET THE INFORMATION BECAUSE,
11 THUS FAR, AS YOU'VE POINTED OUT, AND I HEARD THE LAUGH
12 AT THE OTHER END WITH REGARD TO THE RATE AND THE
13 DISCREPANCY AND BETWEEN HOW IT MAY BE CALCULATED AND
14 NOT CALCULATED, THIS KIND OF MOVES US OFF SQUARE ONE,
15 GIVES US AN ADDITION TO BE ABLE TO PROVIDE MORE
16 INFORMATION TO THE BOARD. THE FACT IF WE DON'T DO
17 CERTIFICATION THEN ONLY LEAVES US WITH THE OPTION OF
18 THIS RATE TO DETERMINE COMPLIANCE OR NONCOMPLIANCE.
19 THINK THAT WOULD BE A WACKY WAY FOR GOVERNMENT TO
20 RESPOND, ESPECIALLY WHEN THE STATUTE HAS GIVEN US OTHER
21 KINDS OF WAYS TO LOOK AT IT.
22 I THINK THAT WE'VE DONE IT WHERE WE
23 HAVEN'T HAD A FULL UNIVERSE FOR TRASH BAGS. WE'VE
24 GONE -- AFTER ALL, IT IS A SURVEY. I'M NOT LOOKING TO
25 TRY AND GO AND USE UP A LOT OF STAFF TIME. I THINK YOU



1 HAVE MORE STAFF TIME IN SOME CASES INVOLVED BY TRYING
2 TO DO SOME OF OTHER STEPS. WE HAVE A FORM THAT IS
3 SOMEWHAT DEVELOPED, IF NOT, I THINK IT'S PRETTY WELL
4 DEVELOPED, AND IF YOU JUST SIMPLY SEND IT OUT, WE GET
5 THE INFORMATION BACK AND EVALUATE WHERE WE ARE. I
6 THINK THAT THERE'S PROBABLY MANY MORE PEOPLE ARE
7 GETTING HURT BY SOME OF THE THINGS THAT ARE IN THIS
8 OVERALL RATE BECAUSE YOU'RE THROWING, AS YOU SAY IN
9 COMMITTEE, MIXING APPLES AND ORANGES IN MANY CASES.
10 I THINK THE INDIVIDUALS WHO CAN CERTIFY
11 THAT THEY ARE IN COMPLIANCE WILL DO SO, AND I'M NOT
12 LOOKING FOR A LARGE, YOU KNOW, UNIVERSE OF SEVERAL
13 THOUSAND. I THINK WE NEED TO TRY AND GET SOME OF THE
• 14 INFORMATION BACK. LET'S FIND OUT WHAT IT IS THAT
15 THEY'RE ACTUALLY DOING. I THINK THERE ARE SOME
16 COMPANIES THAT ARE OUT THERE THAT ARE DOING MORE, AND
17 WE SHOULD BE ACTUALLY RECOGNIZING THEM, QUITE FRANKLY.
18 CHAIRMAN PENNINGTON: WE HAVE ONE PERSON IN
19 THE AUDIENCE WHO WISHES TO ADDRESS THIS ISSUE, MR. RICK
20 BEST.
21 MR. BEST: THANK YOU, MR. CHAIRMAN AND BOARD
22 MEMBERS. RICK BEST WITH CALIFORNIANS AGAINST WASTE.
23 I GUESS TO BEGIN WITH, AS MR. FRAZEE
24 POINTED OUT, BEING IN THE SECOND YEAR OF THE
25 IMPLEMENTATION OF THIS LAW, I THINK WE NEED TO



1 RECOGNIZE, NO. 1, THAT THIS LAW WAS PASSED IN 1991. IT
2 WAS IN 1993 THAT THE PLASTICS INDUSTRY SUCCEEDED IN
3 GETTING A TWO-YEAR DELAY IN THE LAW, AND THEN IN 1996
4 THAT THIS LAW EXEMPTED ALL FOOD AND COSMETIC
5 CONTAINERS. SO TO SAY THAT, YES, WHILE THE BOARD IS IN
6 THE SECOND YEAR OF EVALUATING COMPLIANCE WITH THE
7 RECYCLING RATE, THE FACT IS IS THIS LAW HAS BEEN ON THE
8 BOOKS SINCE 1991. AND IT'S MORE THAN TIME FOR THE
9 BOARD TO MOVE FORWARD WITH ENFORCING THIS LAW.
10 I THINK SOME OF THE CONFUSION IS IS I
11 THINK THE BOARD STAFF, IN PUTTING TOGETHER THE ANALYSIS
12 FOR COMMITTEE, I THINK MIXED THE ENFORCEMENT OF THIS
13 LAW WITH THE VOLUNTARY EFFORTS TO TRY AND ENCOURAGE
14 COMPLIANCE WITH THE LAW IN THE FUTURE. WE DON'T HAVE
15 ANY PROBLEM WITH THE BOARD WORKING WITH THE INDUSTRY
16 AND WITH TRADE ASSOCIATIONS, COMPANIES AND TRYING TO
17 BOOST COMPLIANCE IN THE FUTURE TO TRY AND GET THE
18 RECYCLING RATE UP ABOVE THE 23.2 PERCENT IT WAS IN
19 1996. I THINK ALL THOSE ARE APPROPRIATE THINGS FOR
20 THIS BOARD TO BE DOING, BUT THE FACT IS 1996 HAS COME
21 AND GONE. IT'S THE BOARD'S RESPONSIBILITY TO ENFORCE
22 THIS LAW AND ENSURE THAT OR DETERMINE TO WHAT EXTENT
23 COMPANIES HAVE COMPLIED WITH THE COMPLIANCE OPTIONS.
24 YOU KNOW, THE STATUTE IS VERY CLEAR. I
25 MEAN ONE SECTION SAYS EVERY RIGID PLASTIC CONTAINER HAS



1 TO COMPLY WITH ONE OF THOSE STATED CRITERIA. SECTION
2 42322 SAYS ANY VIOLATION OF THIS CHAPTER IS A PUBLIC
3 OFFENSE WITH A PENALTY UP TO A HUNDRED THOUSAND
4 DOLLARS. SECTION 42325 STATES THAT THE BOARD SHALL
5 ADOPT REGULATIONS TO IMPLEMENT THIS CHAPTER, INCLUDING
6 PROCEDURES FOR CERTIFYING COMPLIANCE. SO I THINK THE
7 STATUTES ARE VERY CLEAR, THAT THE BOARD HAS A
8 RESPONSIBILITY TO ENFORCE THIS LAW, NOT TO DO, YOU
9 KNOW, VOLUNTARY EFFORTS, BUT TO ENFORCE THIS LAW AND
10 INSURE THAT COMPANIES HAVE COMPLIED.
11 AND ACTUALLY ONE SECTION THAT WAS ADDED
12 TO THE LAW AFTER THE LAW WAS ENACTED, 42345, ACTUALLY
13 STATES THAT ANY EXTENSION OF TIME FOR MANUFACTURERS TO
14 COMPLY SHALL ONLY BE ENACTED BY A STATUTE PASSED BY
15 TWO-THIRDS OF BOTH HOUSES OF THE LEGISLATURE. SO I
16 THINK IF THE BOARD WAS TO FAIL TO ENSURE OR TO REQUIRE
17 COMPLIANCE FORMS SUBMITTED, THAT'S EFFECTIVELY GIVING A
18 YEAR TO INDUSTRY TO COMPLY WITH THIS LAW, AND THAT'S
19 STATUTORILY PROHIBITED UNDER THE LAW. SO I THINK IT'S
20 VERY CLEAR THAT THE BOARD HAS A RESPONSIBILITY TO MOVE
21 FORWARD.
22 I THINK, YOU KNOW, THE BOARD -- I TOOK A
23 LOOK AT THE COMMITTEE, TOOK A LOOK, AND THE FACT IS THE
24 BOARD HAS ALREADY DEVELOPED THE REGULATIONS TO
25 IMPLEMENT THIS LAW. SECTION 17948 OF THE BOARD'S



1 REGULATIONS SPECIFIES THE PROCESS FOR MOVING FORWARD
2 FOR REQUIRING COMPLIANCE FORMS TO BE SUBMITTED TO THE
3 BOARD. ANOTHER SECTION STATES THAT THE BOARD SHALL
4 PUBLISH A LIST OF ALL VIOLATORS OF THESE REQUIREMENTS
5 AND THE AMOUNT OF FINES THAT WERE ASSESSED. SO THE
6 BOARD HAS ALREADY CONSIDERED THIS. THE BOARD HAS
7 ALREADY ADOPTED REGULATIONS THAT ENVISIONS THAT THE
8 BOARD IS GOING TO MOVE FORWARD WITH THIS. SO I THINK
9 THAT'S ANOTHER ISSUE THAT'S ALREADY BEEN ADDRESSED.
10 AND I THINK, AS MR. EATON HAS POINTED
11 OUT, THE FACT IS TWO MONTHS AGO THIS BOARD TOOK ACTION
12 AND IMPOSED PENALTIES AGAIN JURISDICTIONS FOR FAILING
13 TO SUBMIT AN AB 939 PLAN TO THIS BOARD UNDER THE AB 939
14 LAW. I THINK THIS IS A FAR MORE SERIOUS VIOLATION IN
15 TERMS OF FAILING TO ACTUALLY COMPLY WITH THE DIVERSION
16 OR THE REQUIREMENTS THAT ARE SPECIFIED IN SB 235, AND
17 IT'S INCUMBENT UPON THIS BOARD TO MOVE FORWARD AND
18 FULFILL ITS RESPONSIBILITY TO ENFORCE THIS LAW.
19 I THINK THE BOARD HAS ALREADY ENFORCED
20 THE NEWSPRINT LAW. I MEAN THEY'VE ENFORCED AB 939.
21 THINK THE BOARD IS DEMONSTRATING ITS WILLINGNESS TO
22 ENSURE THAT WE ALL DO OUR PART IN MAKING SURE THESE
23 LAWS ARE IMPLEMENTED. I THINK IT'S ABOUT TIME FOR THE
24 BOARD TO MOVE FORWARD ON THIS PLASTICS LAW. WITH THAT,
25 I THINK, YOU KNOW, WE UNDERSTAND THE BOARD MOTION THAT



1 WAS MADE THE LAST WEEK WAS TRYING TO WORK WITH
2 INDUSTRY. I THINK IT'S -- THE BOARD NEEDS TO BE CLEAR
3 IN ITS MOTION TODAY THAT THE BOARD IS GOING TO MOVE
4 FORWARD WITH ENFORCEMENT. I THINK ANY ADDITIONAL
5 VOLUNTARY EFFORTS TO WORK WITH THEM, THAT'S KIND OF A
6 SEPARATE ISSUE, BUT THE BOARD NEEDS TO ADOPT AND
7 DEMONSTRATE ITS WILLINGNESS TO REQUIRE COMPLIANCE BY
8 MANUFACTURERS. AND WITH THAT, I'D BE HAPPY TO ANSWER
9 ANY QUESTIONS.

10 CHAIRMAN PENNINGTON: QUESTIONS?

11 BOARD MEMBER JONES: I HAVE A QUESTION FOR MR.
12 BEST. I AGREE WITH WHAT YOU ARE SAYING. YOU BROUGHT
13 UP AN ISSUE THAT SAID THAT BY STATUTE WE HAVE TO LIST
14 THOSE PEOPLE THAT DIDN'T COMPLY. AS PART OF OUR
15 DISCUSSION UP HERE, WE DON'T EVEN KNOW -- WE'RE NOT
16 EVEN SURE WHAT THE LIST IS TO ASK THE QUESTION TO. AND
17 SOME OF OUR PROBLEM IS TRYING TO FIGURE OUT DO WE DO -
18 DO WE GET IT OFF THE WEB PAGE? DO WE LOOK AT THE
19 10,000 BECAUSE IT IS THE FILLER OF THE PRODUCT, SO
20 THOSE ITEMS THAT ARE BEING IMPORTED INTO THIS COUNTRY,
21 ALL THESE OTHER ISSUES. I MEAN THIS IS -- I HAVE NO
22 IDEA WHAT THIS LIST EVEN LOOKS LIKE. I DON'T HAVE ANY
23 IDEA WHERE WE'RE AT. THAT DOESN'T DIMINISH THE IDEA OF
24 THERE NEEDS TO BE A FAIR PLAYING FIELD. OKAY. AND
25 THESE PEOPLE -- THOSE THAT WE KNOW OR THOSE WE DON'T



1 NEED TO COMPLY.
2 BUT WHAT I'M A LITTLE BIT WORRIED ABOUT
3 IS THAT IF, IN FACT, WE GO BY THE STATUTE AND WE FINE
4 UP TO A HUNDRED THOUSAND DOLLARS, AND WE'VE IDENTIFIED
5 FIVE MANUFACTURERS OF A CERTAIN TYPE OF PRODUCT, THAT
6 REALLY WE'VE IDENTIFIED FIVE OF 15. AND WE HAVE FINED
7 THOSE FIVE, YOU KNOW. WE DON'T KNOW WHERE THE OTHERS
8 ARE AS FAR AS COMPLIANCE BECAUSE THEY'RE OVER IN ITALY
9 OR WHEREVER.
10 HOW DOES THAT -- IS THAT THE MESSAGE THAT
11 WE NEED TO GET OUT, OR IS IT NOT A MESSAGE THAT, IN
12 FACT, MINIMUM CONTENT LAW IS A SERIOUS LAW IN THIS
13 STATE. WE'VE NEVER GENERATED THE LIST TO FIGURE OUT
14 WHO FILLS PLASTIC BOTTLES WITH PRODUCT AND ARE SOLD IN
15 THE STATE OF CALIFORNIA. AND I'M A LITTLE WORRIED
16 ABOUT THAT PART, RICK, HOW WE WORK THAT OUT AND MAKE
17 THAT FAIR WITHOUT --
18 MR. BEST: I VERY MUCH APPRECIATE. I MEAN THE
19 BOARD HAS A TASK THAT IT NEEDS TO BEGIN WITH IN TERMS
20 OF IDENTIFYING WHO'S OUT THERE, WHO IS A REGULATED
21 ENTITY. I WILL SAY THAT I THINK THE SCOPE OF WHO'S
22 REGULATED IS MADE FAR MORE NARROW BY THE FACT THAT FOOD
23 AND COSMETICS HAVE BEEN EXEMPTED FROM THIS LAW. SO I
24 DON'T THINK YOU'RE GOING TO BE TALKING ABOUT THE BROAD
25 RANGE THAT INITIALLY HAD BEEN ENVISIONED. GRANTED, THE



1 BOARD WHEN IT PROCEEDS, YOU KNOW, YOU WANT TO DO IT IN
2 AS FAIR A MANNER AS POSSIBLE, BUT I THINK THE BOARD --
3 TALKING WITH STAFF, IT SOUNDED LIKE THEY HAD ALREADY - -
4 IN THE PAST HAD ALREADY KIND OF IDENTIFIED WHAT SOME OF
5 THE SIC CODES, IDENTIFIED WHERE THEY WILL FIND OUT WHO
6 THESE COMPANIES ARE. SO I DON'T THINK IT'S A
7 COMPLETELY IMPOSSIBLE TASK.
8 AND THE FACT IS UNDER THE NEWSPRINT LAW,
9 I MEAN NEWSPRINT LAW, THERE'S ANOTHER EXAMPLE OF, YES,
10 THE NEWSPRINT MANUFACTURERS ARE A DEFINED -- YOU KNOW,
11 THERE'S ONLY SO MANY NEWSPRINT MILLS IN THE WORLD. BUT
12 THE FACT IS NEWSPRINT USERS, THERE'S HUNDREDS OF
13 NEWSPRINT USERS THROUGHOUT CALIFORNIA, AND I THINK YOU
14 ARE GOING TO FIND THE SAME THING WITH THE PLASTICS LAW
15 IS I THINK THE BOARD IS GOING TO GO THROUGH AN
16 ITERATIVE PROCESS OF INITIALLY IDENTIFYING WHO THERE
17 IS. AS THE BOARD GETS MORE EXPERIENCED, THEY'RE GOING
18 TO FIND OTHER AVENUES FOR IDENTIFYING WHO THOSE FOLKS
19 ARE.

20 BOARD MEMBER JONES: AND, YOU KNOW, ONE OF THE
21 OPTIONS IS GOING TO BE MAYBE SOME WE DIDN'T KNOW
22 ABOUT. I'M SURE IF WE CONTACT YOU AND DIDN'T CONTACT
23 FIVE OF YOUR NEIGHBORS, YOU ARE GOING TO LET US KNOW
24 THAT.

25 MR. BEST: I'M SURE THOSE THAT ARE IN THE



1 PROGRAM AND ARE BEING MONITORED WILL MAKE SURE THAT
2 EVERYONE ELSE THAT ISN'T BEING TRACKED WILL BE PART OF
3 THE BOARD'S PROGRAM.

4 BOARD MEMBER JONES: RIGHT. BECAUSE AS FAR AS
5 THE MINIMUM CONTENT, I DON'T HAVE A PROBLEM. IT'S
6 MAKING SURE THAT WE DON'T BURY THIS THING BY, YOU KNOW,
7 GOING TO -- YOU KNOW, JUST GOT TO MAKE SURE WE GOT THE
8 PIECES IN PLACE.

9 BOARD MEMBER EATON: I THINK BY YOUR COMMENTS,
10 MR. JONES, YOU'RE WILLING TO JOIN ME IN REQUESTING OF
11 THE INDUSTRY FOR THEM TO PROVIDE US WITH A LIST AND
12 THAT YOU WOULD BE SUPPORTIVE OF THAT.

13 BOARD MEMBER JONES: SURE. I DON'T HAVE A
14 PROBLEM WITH GETTING THE LIST ANY WAY WE HAVE TO. WHAT
15 I'M NOT SURE IS UNDER THE SIC CODES, IF THAT'S GOING TO
16 IDENTIFY EVERYBODY IN FOREIGN COUNTRIES THAT BRING
17 MATERIAL INTO THIS STATE, CONSIDERING THAT WE IMPORT
18 CONSIDERABLY -- QUITE A BIT OF MATERIAL INTO THIS
19 STATE. HOW ARE WE GOING TO IDENTIFY THEM? ARE WE
20 GOING TO PUT A CALIFORNIA MANUFACTURER AT A
21 DISADVANTAGE OVER HIS COMPETITION THAT IS FROM ANOTHER
22 COUNTRY BECAUSE WE CAN'T FIND OUT INFORMATION ON THAT
23 PRODUCT COMING IN?

24 BOARD MEMBER EATON: NO. THERE ARE AVENUES
25 FOR WHICH WE CAN PROHIBIT COUNTRIES AND INDUSTRIES FROM



1 OUTSIDE THE CONTINENTAL AS WELL AS OTHER PARTS OF THE
2 UNITED STATES FROM DOING BUSINESS IN THIS STATE AS A
3 RESULT OF CERTAIN KINDS OF VIOLATIONS OF PUBLIC
4 STATUTES. SO I THINK THAT THAT'S KIND OF A STRAWMAN
5 ARGUMENT TO WHAT WE REALLY NEED TO DO, AND THAT IS
6 REALLY THIS WHOLE UNIVERSE WHO'S OUT THERE. WE KNOW
7 WHAT AT LEAST A DEFINED UNIVERSE HAPPENS TO BE AND SOME
8 OF THOSE INDIVIDUALS.
9 I THINK YOUR POINT ABOUT ONCE YOU ASK
10 SOME OF THEM, THEY'LL ALL COME FORWARD AND TELL YOU WHO
11 THE BAD GUYS ARE. AND I THINK THAT, YOU KNOW, TO TRY
12 AND PUT UP THIS SORT OF CURTAIN ABOUT, WELL, WE DON'T
13 KNOW WHO IS IN A COMPETITIVE DISADVANTAGE IS JUST
14 SIMPLY NOT THE CASE AS WE LOOK AT IT. THIS IS A
15 SITUATION WHERE WE KNOW THERE ARE SOME INDIVIDUALS OUT
16 THERE, WE HAVE IDENTIFIED THEM, AND WE HAVE A PUBLIC
17 OBLIGATION UNDER THE STATUTE TO COMPLY. IT'S THAT
18 SIMPLE.

19 BOARD MEMBER JONES: I DON'T HAVE A PROBLEM
20 WITH THAT PART OF IT. MY INDUSTRY NEEDS - - THE
21 INDUSTRY I CAME FROM NEEDS OUTLETS TO SELL MATERIAL.
22 50 I DON'T HAVE A PROBLEM WITH THAT. I JUST WANT TO
23 MAKE SURE WE DON'T ABANDON THE STRATEGIC PLAN, ABANDON
24 OUR MISSION TO GET TO 50 PERCENT WITHOUT DEFINING IN
25 THIS RESOLUTION HOW WE'RE GOING TO DO THIS, AND THAT'S



1 MY -- THAT'S MY CONCERN.

2 BOARD MEMBER EATON: I'LL MAKE YOU THE OFFER.

3 THE FORM'S ALREADY DONE. I WILL MAKE MY OFFICE AND MY

4 STAFF AVAILABLE TO SEND OUT THE FIRST 250 OF THOSE

5 CERTIFICATION FORMS ALONG WITH A LETTER AND, THEREFORE,

6 IT WILL TAKE UP NO STAFF TIME.

7 CHAIRMAN PENNINGTON: OKAY.

8 BOARD MEMBER FRAZEE: ONE MORE LATE ONE, MR.

9 CHAIRMAN.

10 CHAIRMAN PENNINGTON: CERTAINLY, MR. FRAZEE.

11 BOARD MEMBER FRAZEE: ON THE OUT-OF-STATE

12 COMPLIANCE ISSUE, THERE IS A LANDMARK CASE THAT DEALS

13 WITH SOMETHING NEAR AND DEAR TO MY HEART, AVOCADOS, IN

14 WHICH THE COURT HELD THAT CALIFORNIA COULD NOT SPECIFY

15 THE OIL CONTENT OF AVOCADOS THAT WERE IMPORTED INTO THE

16 STATE OF CALIFORNIA FROM OTHER STATES. AND I THINK YOU

17 MIGHT FIND THAT CASE HOLDS TRUE OF OTHER KINDS OF

18 PRODUCTS WHERE THERE IS A MINIMUM REQUIREMENT FOR SALE

19 IN CALIFORNIA. I CAN PRACTICE LAW BECAUSE I DON'T HAVE

20 A LAW DEGREE.

21 CHAIRMAN PENNINGTON: MR. CHESBRO.

22 BOARD MEMBER CHESBRO: I'D LIKE TO REFER BACK

23 AGAIN TO THAT CONVERSATION I HAD BACK ON THE EAST

24 COAST. THIS INDIVIDUAL WAS REPRESENTING PRODUCT

25 MANUFACTURERS. THESE WERE NOT CALIFORNIA PRODUCT



1 MANUFACTURERS. THESE WERE NATIONAL CONCERNS THAT
2 PRODUCE PRODUCTS ELSEWHERE IN THE COUNTRY WHO MARKET
3 PRODUCTS IN CALIFORNIA, AND THEY'RE LARGE COMPANIES.
4 SO AGAIN, THE MESSAGE THAT WE SEND BY IMPLEMENTING
5 STATUTE, AT WHATEVER LEVEL OF INTENSITY -- WE'RE NOT
6 AGAIN TO THE POINT OF TALKING ABOUT EXACTLY HOW -- BUT
7 THE MESSAGE THAT THE STATUTE IS ON THE BOOK AND WE'RE
8 GOING TO PROCEED WITH IT WILL BRING ABOUT A SUBSTANTIAL
9 AMOUNT OF COMPLIANCE. AND I BELIEVE THAT THAT'S TRUE.
10 I BELIEVE THAT THE MAJORITY OF NATIONAL CORPORATIONS
11 HAVE ENVIRONMENTAL COMPLIANCE POLICIES, AND SO IT WON'T
12 BE -- WON'T WIND UP IN COURT WITH THOSE COMPANIES
13 WHETHER OR NOT WE HAVE THE RIGHT TO FORCE THEM. IT
14 WILL BE THAT'S WHAT CALIFORNIA LAW SAYS, AND WE'RE
15 GOING TO DELIVER A PRODUCT THAT COMPLIES WITH
16 CALIFORNIA'S ENVIRONMENTAL STATUTES.

17 CHAIRMAN PENNINGTON: THANK YOU. NEXT PUBLIC
18 MEMBER IS LANCE HASTINGS WITH THE GROCERY MANUFACTURERS.
19 MR. HASTINGS: GOOD AFTERNOON, MR. CHAIRMAN.
20 THANK YOU FOR LETTING US SPEAK TODAY. MY NAME IS LANCE
21 HASTINGS WITH THE GROCERY MANUFACTURERS OF AMERICA, AND
22 WE WERE PRESENT AT THE LOCAL ASSISTANCE AND PLANNING
23 COMMITTEE MEETING LAST WEEK ON THIS ISSUE. AND WE
24 POINTED OUT AT THAT TIME THAT SINCE THE LAW HAS BEEN IN
25 PLACE SINCE 1991, THAT OUR MEMBERS WERE CONCERNED ABOUT



1 THE ABILITY TO MEET AN RPPC RATE STATEWIDE AND HAVE
2 PURSUED OTHER OPTIONS FOR COMPLIANCE; NAMELY, THE
3 MINIMUM CONTENT REQUIREMENT, AS WELL AS THE SOURCE
4 REDUCTION.
5 AND AFTER THE JANUARY CERTIFICATION OF
6 THE 23.2 RATE, WE'VE DONE SOME INFORMAL POLLING WITHIN
7 THE GMA, AND HAVE FOUND THAT OUR MEMBER COMPANIES HAVE
8 USED THE MINIMUM CONTENT RATE AS WELL AS THE SOURCE
9 REDUCTION TO MEET THE MANDATE.
10 50 WITH ALL OF THE EFFORT THAT'S BEEN
11 PLACED ON THE RPPC RATE AND THE COMPLIANCE OVER .05
12 PERCENT OF THE WASTESTREAM, WE'VE BEEN WORKING WITH
13 BOARD STAFF SINCE THAT TIME TO FIND A WAY TO ENCOURAGE
14 COOPERATION FROM INDUSTRY, MAKE IT LEAST BURDENSOME FOR
15 OUR MEMBERS TO VERIFY COMPLIANCE SO THAT WE CAN BE NOT
16 ONLY IN THE SPIRIT OF THE LAW, BUT TO THE LETTER OF THE
17 LAW. AND WE CONTINUE TO WORK WITH BOARD STAFF IN THAT
18 REGARD.
19 NOT KNOWING WHAT THE ITEM WAS GOING TO BE
20 BEFORE THE BOARD THIS MORNING IS WHY WE TURNED IN OUR
21 SPEAKING SLIP SO LATE. WE WANTED TO SEE THE DYNAMIC OF
22 THE BOARD. AND AGAIN, WE REMAIN CONFIDENT IN OUR
23 ABILITY TO DEMONSTRATE COMPLIANCE WITH THIS LAW BASED
24 ON MINIMUM CONTENT AND SOURCE REDUCTION. AND THE
25 COMMITTEE MEMBERS HAD THE OPPORTUNITY TO HEAR FROM A



1 CALIFORNIA MANUFACTURER LAST WEEK WITH A VERY
2 COMPELLING STORY, AND SHE IS AVAILABLE HERE TODAY IF
3 NECESSARY FOR QUESTIONS, ROBBIN GANZ FROM CLOROX
4 CORPORATION BASED IN OAKLAND, CALIFORNIA.
5 WE FEEL THAT WE'RE IN COMPLIANCE. WITH
6 THE EXCLUSIONS OF THE FOOD AND COSMETIC PRODUCT LINE,
7 OUR MEMBER COMPANIES ARE SOMEWHAT REDUCED BECAUSE IN
8 THE GROCERY STORES NOWADAYS THERE ARE MUCH MORE THAN
9 FOOD FOUND ON THE SHELVES. WE'RE KEENLY INTERESTED IN
10 THIS ISSUE, AS WELL AS VERIFYING OUR COMPLIANCE, AND
11 WILL, AS I SAID EARLIER, CONTINUE TO WORK WITH THE
12 BOARD AND BOARD STAFF ON A REASONABLE WAY TO GO ABOUT
13 VERIFYING THAT COMPLIANCE.

14 CHAIRMAN PENNINGTON: VERY GOOD. QUESTIONS OF
15 MR. HASTINGS?

16 BOARD MEMBER CHESBRO: DO YOU HAVE ANY SENSE
17 WHAT PROPORTION OF YOUR MEMBERSHIP OR THE PRODUCT
18 STREAM THAT YOUR MEMBERSHIP MARKETS IS COVERED - - IS IN
19 THE UNIVERSE THAT WE'RE TALKING ABOUT?

20 MR. HASTINGS: IN TERMS OF NUMBER OF
21 COMPANIES? IT'S HARD TO TELL. GMA MEMBERSHIP IS
22 USUALLY THE PARENT COMPANY WITH VARIOUS PRODUCT LINES
23 DOWN BELOW, AND WE ARE IN THE PROCESS OF FINDING OUT
24 WHO WOULD BE AFFECTED AS A RESULT OF THIS, BUT IN TERMS
25 OF A SHEAR NUMBER, I CAN'T ANSWER THAT BECAUSE I DON'T



1 KNOW.

2 BOARD MEMBER CHESBRO: THIS EFFORT THAT'S
3 BEING MADE BY GMA, I THINK, IS REFLECTIVE OF WHAT I'M
4 TALKING ABOUT, THE FACT THAT COMPANIES WANT TO KNOW.
5 I THINK A LOT OF THIS IS GOING TO HAPPEN IF WE WORK
6 TOGETHER, BUT AT THE SAME TIME THE BOARD NEEDS TO MAKE
7 CLEAR THAT WE'RE GIVEN THE RESPONSIBILITY BY THE
8 LEGISLATURE TO FIND A WAY TO SEEK COMPLIANCE HERE. BUT
9 I DO THINK THAT THERE'S LOTS OF AVENUES FOR THE VAST
10 MAJORITY OF THE PRODUCT STREAM THAT'S ON THE SHELF FOR
11 US TO FIND WAYS TO REACH COMPLIANCE.
12 I THINK THAT MOST OF IT IS GOING TO TAKE
13 CARE OF ITSELF AS A RESULT OF PROCEEDING, GATHERING
14 INFORMATION, COMMUNICATING. WE'RE GOING TO HAVE
15 DIFFICULT DECISIONS TO MAKE WHEN IT COMES TO WHAT'S
16 LEFT, YOU KNOW, BUT I THINK THAT'S DOWN THE ROAD. I
17 DON'T THINK WE'RE TALKING ABOUT THAT TODAY.

18 MR. HASTINGS: IN THE MOTION THAT WAS
19 FORWARDED FROM THE COMMITTEE, THERE WAS IDENTIFICATION
20 THAT IF THERE IS NOT A RESPONSE, THERE MAY BE DEEMED TO
21 BE A NONCOMPLIANCE. AND WHETHER THE DATABASE IS
22 ACCURATE OR NOT, A LETTER MAY FIND ITS WAY TO A RETURN
23 TO SENDER, NO LONGER HERE. OUR CONCERN IS A BLANKET
24 ASSUMPTION OF NONCOMPLIANCE BY VIRTUE OF NOT
25 RESPONDING. YOU HAVE MANUFACTURERS WHO ARE LUCKY



1 ENOUGH TO BE IN BUSINESS IN THE STATE IN 1996 THAT MAY
2 NOT BE TODAY, AND THEY COULD HAVE BEEN IN COMPLIANCE,
3 COULD HAVE HELPED THE CURVE BE RAISED; BUT BECAUSE THEY
4 WEREN'T REACHABLE AND THEY WEREN'T RESPONSIVE, THAT THE
5 ASSUMPTION THAT THEY WERE NOT COMPLIANT IS SOMEWHAT
6 TROUBLING, PARTICULARLY WHEN WE'RE LOOKING AT A STATE
7 THAT IS AN INTERNATIONAL MARKETPLACE FOR PRODUCTS AND
8 CERTAINLY A NATIONAL VENUE FOR SALE OF PRODUCTS.

9 BOARD MEMBER EATON: OBVIOUSLY YOU'VE DONE A
10 SURVEY OF YOUR OWN MEMBERSHIP, RIGHT, TO REACH OUTSIDE
11 THE RATE?

12 MR. HASTINGS: YES, WE'VE DONE AN INFORMAL
13 POLL OF OUR MEMBERS, AND WE FOUND THAT EVEN SINCE 1991,
14 THERE WAS NOT A TREMENDOUS AMOUNT OF RELIABILITY IN THE
15 ABILITY OF THE STATE TO REACH AN RPPC RATE THAT WE
16 COULD COUNT ON, SO INDIVIDUAL COMPANIES HAVE TAKEN THE
17 INITIATIVE TO ENSURE THAT THEY WOULD BE IN COMPLIANCE
18 WITH THE OTHER AVENUES; NAMELY, SOURCE REDUCTION AND
19 MINIMUM CONTENT. AND I'LL LET YOU KNOW THAT THE MARKET
20 HELPS DRIVE SOURCE REDUCTION BECAUSE THE CONSUMER WANTS
21 A SMALLER PACKAGE WITH MORE COMMODITY IN IT.
22 SO THAT'S WHY THE SOURCE REDUCTION IS ONE
23 OF THE MAIN AVENUES USED BY OUR MEMBERS TO BE IN
24 COMPLIANCE.

25 BOARD MEMBER EATON: WOULD YOU BE WILLING TO



1 HELP US WITH OUR EFFORT BY PROVIDING THAT LIST SO WE
2 WOULDN'T SEND THEM A FORM?
3 MR. HASTINGS: I THINK WE'VE BEEN COOPERATIVE
4 WITH THE BOARD FOR THE LAST TWO MONTHS, AND I WOULD
5 PLEDGE THAT WE'LL CONTINUE TO DO SO TO FIND A LEAST
6 BURDENSOME WAY TO VERIFY COMPLIANCE.

7 BOARD MEMBER EATON: AND YOU DON'T THINK THAT
8 A ONE-PAGE FORM IS A SIMPLE PROCESS BY WHICH WE CAN
9 SEEK CERTIFICATION?

10 MR. HASTINGS: YEAH, IF THERE'S A SURVEY
11 METHOD THAT IS PURSUED WHERE YOU ARE ASKING
12 MANUFACTURERS WHAT THEY USE TO COMPLY RATHER THAN THE
13 CERTIFICATION LETTER, I THINK YOU MIGHT FIND BROADER
14 PARTICIPATION.

15 BOARD MEMBER EATON: THAT'S WHAT I'M TRYING TO
16 GET AT BECAUSE I THINK THAT'S THE KEY COMPONENT BECAUSE
17 IT TAKES YOU OUTSIDE THE RATE.

18 MR. HASTINGS: YES, WHERE WE FELT WE'VE
19 BEEN --

20 BOARD MEMBER EATON: CORRECT. SO WE'RE ALL IN
21 LINE. AND I FAIL TO UNDERSTAND WHY WE ARE HESITANT TO
22 GO BACK WHEN WE HAVE INDUSTRY, WHICH THROUGH THEIR OWN
23 INDIVIDUAL EFFORTS, WHICH SHOULD BE COMMENDED, GO
24 BEYOND AND ARE ABLE TO OBTAIN AND GO OUTSIDE IN SAYING
25 WE'RE NOT REALLY SURE THIS RATE IS WHERE WE WANT TO BE,



1 SO WE'VE GONE THE OTHER STEP AND LOOKED AT OTHER WAYS
2 WHICH WE CAN COMPLY AND YOU FOUND THEM. AND THAT'S
3 WHAT WE SHOULD BE DOING.
4 MR. HASTINGS: THAT'S WHY WE'D LIKE TO SEE THE
5 SURVEY METHOD APPLIED RATHER THAN THE CERTIFICATION
6 LETTER BECAUSE OF THE INHERENT ASSUMPTIONS THAT WERE
7 MADE AT THE COMMITTEE LEVEL WITH THE CERTIFICATION
8 LETTER AND WHAT THAT REPRESENTS ON BEHALF OF A
9 MANUFACTURER BECAUSE YOU COULD FIND IN A CERTIFICATION
10 LETTER YOU WILL HAVE X NUMBERS OF COMPANIES IN
11 COMPLIANCE, BUT A MUCH LARGER NUMBER OF NONCOMPLIANCE,
12 AND THEY ARE FINED, BUT IT'S NOT REPRESENTATIVE OF THE
13 ENTIRE UNIVERSE BECAUSE, QUITE FRANKLY, WE DON'T KNOW
14 WHAT THAT UNIVERSE IS. SO A SURVEY OF VOLUNTARY METHOD
15 MIGHT BE PREFERRED FROM THE MANUFACTURING SIDE, AND
16 THAT'S WHAT WE'VE PLEDGED TO WORK WITH THE BOARD STAFF
17 AND THE BOARD ON.

18 CHAIRMAN PENNINGTON: OKAY. WE HAVE ONE FINAL
19 SPEAKER, RANDY POLLACK.

20 MR. POLLACK: THANK YOU, MR. CHAIRMAN AND
21 MEMBERS OF THE BOARD. MY NAME IS RANDY POLLACK. I'M
22 HERE FROM LIVINGSTON & MATTESICH ON BEHALF OF THE SOAP
23 AND DETERGENT ASSOCIATION. WE ALSO APPEARED BEFORE THE
24 COMMITTEE LAST WEEK. GENE LIVINGSTON WAS THERE
25 APPEARING BEFORE THE COMMITTEE. THERE'S JUST A COUPLE



1 CONCERNS THAT I JUST WANTED TO RAISE.
2 WE BELIEVE THAT OUR MEMBER COMPANIES ARE
3 IN COMPLIANCE WITH THE LAW. HOWEVER, WE ARE CONCERNED
4 ABOUT SOME OF THE SMALL MANUFACTURERS OUT THERE. WE
5 ARE CONCERNED WITH A CERTIFICATION PROCESS, QUOTE,
6 UNQUOTE, CERTIFICATION PROCESS, THAT IT WOULD BE UNFAIR
7 TO PENALIZE COMPANIES WILLING TO COMPLY WITH THE LAW IN
8 1996, WHEN THEN THEY LEARN IN 1998 THAT THEY WERE NO
9 LONGER IN COMPLIANCE BECAUSE THE RECYCLING RATE HAD
10 DROPPED BELOW 25 PERCENT.
11 WE BELIEVE THAT THE BEST WAY TO APPROACH
12 THIS ISSUE IS TO CONDUCT A SURVEY, WHICH WAS MENTIONED
13 BY THE BOARD EARLIER TODAY, AND THAT WE'D BE WILLING TO
14 WORK WITH THE BOARD IN CREATION OF THAT SURVEY AND ALSO
15 IN ITS DISTRIBUTION. THANK YOU.

16 CHAIRMAN PENNINGTON: THANK YOU. ANY
17 QUESTIONS OF MR. POLLACK?

18 BOARD MEMBER CHESBRO: I GUESS I'M NOT CLEAR
19 ON WHAT THE DIFFERENCE BETWEEN A SURVEY AND
20 CERTIFICATION IS.

21 MR. POLLACK: ONE OF OUR CONCERNS WAS WITH THE
22 WORDING OF CERTIFICATION. DOES THAT BRING ALONG WITH
23 IT ALL THE ENFORCEMENT ACTIONS?

24 BOARD MEMBER CHESBRO: WELL, A CERTIFICATION
25 TO ME - -



1 MR. POLLACK: FINES AND PROSECUTORIAL.

2 BOARD MEMBER CHESBRO: WHAT I THOUGHT WE MEANT

3 BY IT WAS SIMPLY THAT IT'S ASKING THE PERSON WHO'S

4 CERTIFYING OR FILLING OUT THE SURVEY TO BASICALLY

5 VERIFY THAT THAT'S A FACTUAL -- THERE'S A FACTUAL BASIS

6 BEHIND IT. IT'S JUST A LITTLE BIT MORE FORMAL. I

7 NEVER -- I DON'T THINK THAT IT ANY MORE OR LESS

8 DETERMINES WHAT THE ENFORCEMENT QUESTION IS.

9 I THINK THE ENFORCEMENT QUESTION IS DOWN

10 THE ROAD, WHETHER WE'RE USING DATA FROM A SURVEY OR

11 DATA FROM A CERTIFICATION. SO I'M A LITTLE FUZZY ON

12 BOARD MEMBER EATON: THE STATUTE DOESN'T

13 PROVIDE US ANY OPPORTUNITY FOR SURVEY.

14 CHAIRMAN PENNINGTON: MAYBE OUR LEGAL COUNSEL

15 CAN TELL US WHAT THE DIFFERENCE IS BETWEEN

16 CERTIFICATION.

17 MS. BORZELLERI: OKAY. AS FAR AS A

18 CERTIFICATION GOES, WHAT WE WOULD EXPECT ON THAT TYPE

19 OF FORM IS A SIGNED UNDER PENALTY OF PERJURY STATEMENT.

20 AND MR. EATON IS CORRECT. THERE ISN'T A PROVISION IN

21 THE STATUTE FOR THAT; HOWEVER, SINCE THE BOARD HAS

22 PROSECUTORIAL DISCRETION UNDER THE STATUTE, THEY CAN

23 PURSUE ANOTHER METHOD OTHER THAN WHAT THE STATUTE

24 PROVIDES, WHICH WOULD GATHER INFORMATION. I THINK WE

25 WOULD HAVE SOME DIFFICULTY, HOWEVER, IF WE GOT SURVEYS



1 WITHOUT A CERTIFICATION, TAKING ANY KIND OF ENFORCEMENT
2 ACTION. SO THAT'S WHERE I SEE THE DIFFERENCE IS.

3 BOARD MEMBER CHESBRO: DID YOU SAY THERE IS OR
4 THERE ISN'T STATUTORY BASIS FOR IT?

5 MS. BORZELLERI: THERE'S NOTHING IN THE
6 STATUTE THAT ADDRESSES THE IDEA OF THE BOARD DOING A
7 SURVEY WITHOUT A CERTIFICATION. BUT BECAUSE THE BOARD
8 HAS THIS DISCRETION, THEY CAN PURSUE SOMETHING ELSE.

9 BOARD MEMBER EATON: SEE, THE WHOLE IDEA UNDER
10 THE STATUTORY SCHEME IS WITH THE CERTIFICATION THERE IS
11 THEN A SEPARATE PROCESS BY WHICH YOU CAN VERIFY, AND
12 THAT'S THROUGH THE USE OF AN AUDIT BEFORE YOU GO TO THE
13 HARSH REMEDY OF A FINE, AND ALSO THE REMEDY CAN BE
14 MANY, MANY THINGS. FOR' INSTANCE, MR. POLLACK, AND I
15 AGREE WITH YOU, THAT THE SMALL MANUFACTURERS -- WE'VE
16 WORKED WITH SMALL RURAL COUNTIES HERE WHERE THEY
17 HAVEN'T BEEN ABLE TO COMPLY. WE CAN THEN WORK WITH
18 THEM TO TRY AND ENCOURAGE THEM. WE CAN FASHION THE
19 REMEDY WHERE THE LARGE ABUSERS, WE CAN TAKE OTHER KINDS
20 OF ACTIONS, WHICH RANGE ANYWHERE FROM FINES AND
21 PENALTIES TO ACTUAL, YOU KNOW, SUSPENDING OF THE FINES
22 UNTIL THEY WERE BROUGHT INTO COMPLIANCE, ALL THOSE
23 KINDS OF THINGS, BUT WE AT LEAST NEED TO DO THE INITIAL
24 STEP IN ORDER TO BE ABLE TO GET TO THOSE OTHER MEANS BY
25 WHICH TO FASHION A REMEDY, WHICH MAY BE BENEFICIAL, I



1 BELIEVE, TO EVERYONE AS SHOWN BY WHAT MR. HASTINGS HAS
2 TALKED ABOUT IN HIS OWN ASSOCIATION.

3 MS. TRGOVCICH: MR. CHAIRMAN, MAYBE JUST TO
4 DESCRIBE FROM THE STAFF PERSPECTIVE THE CERTIFICATION
5 VERSUS SURVEY ASPECT AND LEGAL COUNSEL DESCRIBED FOR
6 YOU IN TERMS OF THAT ELEMENT. WE HAD INCLUDED AN
7 OPTION, A SURVEY OPTION FOR A COUPLE OF REASONS. ONE,
8 THE WORD "CERTIFICATION" DOES CONNOTE THE POTENTIAL FOR
9 THE FOLLOW-ON ENFORCEMENT ACTION, AND WE WERE THINKING
10 THAT WE MAY POTENTIALLY GET, NOT NECESSARILY GREATER
11 RESPONSE, BUT MORE VOLUNTARY PARTICIPATION, MORE
12 INFORMATION, POTENTIALLY MORE TO HELP US IN FUTURE
13 YEARS BY USING THE WORD "SURVEY" VERSUS CERTIFICATION,
14 THAT IF FOLKS KNEW THAT WE WEREN'T SITTING THERE
15 PERCHED ON THE EDGE POTENTIALLY TAKING ENFORCEMENT
16 ACTION WITH THE '97 RATE CALCULATION COMING ON AROUND
17 THE CORNER AND SUBSEQUENT '98, THAT WE MAY POTENTIALLY
18 SEE MORE INFORMATION COMING FORWARD TO HELP US IN THOSE
19 FUTURE YEARS.

20 CHAIRMAN PENNINGTON: ANY FURTHER QUESTIONS OF
21 MR. POLLACK? THANK YOU.

22 BOARD MEMBER JONES: MR. CHAIRMAN, THE ISSUE
23 THAT JUST CAME UP WAS DRIVING AN AWFUL LOT OF MY
24 COMMENTS WAS THAT THE DIFFERENCE BETWEEN SURVEY AND
25 CERTIFICATION. I MEAN CERTIFICATION IN MY MIND IS THE



1 FIRST STEP IN AN ENFORCEMENT ACTION THAT COULD BE UP TO
2 A HUNDRED THOUSAND DOLLARS, AND WHAT I AM WORRIED ABOUT
3 IS THAT WE DON'T KNOW THAT UNIVERSE. AND IF WE CAN
4 WORK OUT A WAY TO GET THAT INFORMATION, TO FIND OUT
5 WHERE WE'RE AT WITH, YOU KNOW, AND THEN MAYBE THE
6 SECOND STEP IS -- AND MAYBE YOU DO IT THROUGH A
7 CERTIFICATION THAT IS NOT THE BASIS FOR AN ADJUDICATIVE
8 PROCESS UNTIL WE HAVE FURTHER INFORMATION.
9 I DON'T KNOW, YOU KNOW, HOW THAT WOULD
10 WORK. BUT IN MY MIND WE SEND OUT A CERTIFICATION, THEN
11 THE NEXT STEP IS A HEARING, AND THEN THE NEXT STEP IS A
12 PENALTY, AND WE MAY NOT CAPTURE ENOUGH FOLKS TO BE ABLE
13 TO DO THAT.

14 BOARD MEMBER EATON: I WOULD DISAGREE THAT THE
15 NEXT STEPS AREN'T THOSE. FIRST AND FOREMOST, I BELIEVE
16 WE DO REQUIRE CERTIFICATION FOR OTHER TYPES OF THINGS,
17 DO WE NOT, PAPER MANUFACTURERS OR SUPPLIERS, SO I DON'T
18 THINK THAT THE ARGUMENT THAT THAT WOULD BE, YOU KNOW,
19 SOME SORT OF LIKE HEAVY-HANDEDNESS IS ACTUALLY THE CASE
20 BECAUSE WE REQUIRE IT FOR OTHERS.
21 I THINK THE SITUATION RIGHT HERE IS THAT
22 IF YOU ARE GOING TO REQUIRE STAFF TO DO A SURVEY, THAT
23 UNDERCUTS YOUR ARGUMENT THAT WE DON'T HAVE THE STAFF
24 RESOURCES TO COMPORT WITH OUR OWN STRATEGIC PLAN. AND
25 YET THE STATUTE IS VERY CLEAR, WHICH REQUIRES US TO DO



1 THE CERTIFICATION PROCESS. SO IF WE'RE GOING TO USE
2 STAFF TIME AND STAFF EFFORT, THEN WE OUGHT TO DO IT,
3 WHICH COMPLIES WITH THE STATUTE IN ORDER TO PROCEED.
4 IF WE FIND THAT THERE ARE INSTANCES BY WHICH THERE IS
5 NONCOMPLIANCE, THEN WE HAVE COMPLETE DISCRETION,
6 ACTUALLY MORE DISCRETION THAN THE CERTIFICATION PROCESS
7 BY WHICH TO FASHION THAT REMEDY TO MEET THAT PARTICULAR
8 SEGMENT SO THAT WE DON'T GO AFTER THE SMALL
9 MANUFACTURERS OR THOSE MANUFACTURERS WHO ARE TRYING TO
10 DO SOMETHING.
11 I THINK THAT'S THE POINT I'M TRYING TO
12 GET AT IS THAT AT THE TAIL END, ONCE WE'VE FOUND EITHER
13 COMPLIANCE OR NONCOMPLIANCE, WE HAVE MUCH MORE OPTIONS
14 AVAILABLE TO US IN WHICH TO TRY AND MOVE THIS OFF THE
15 CENTER STAGE.
16 BOARD MEMBER CHESBRO: AND I DON'T REALLY
17 UNDERSTAND THE RATIONALE THAT SAYS YOU GET A LETTER
18 FROM THE STATE SAYING THAT YOU ARE REQUIRED UNDER
19 STATUTE TO CERTIFY, AND YOU SAY, OH, I'M LESS APT TO
20 FILL THAT OUT THAN A VOLUNTARY SURVEY. I DON'T
21 COMPLETELY UNDERSTAND. I SUPPOSE THAT THERE MAY BE
22 SOME PEOPLE THAT RESPOND THAT WAY.
23 THE THING, I THINK, THAT WOULD BE MORE
24 HELPFUL IN TERMS OF INCREASING THE PARTICIPATION IS TO
25 INDICATE THAT, YOU KNOW, PART OF THE REASON THAT WE'RE



1 ASKING FOR THESE CERTIFICATIONS IS TO DETERMINE WHAT
2 THE LEVEL OF COMPLIANCE IS AND THAT NO DECISIONS ABOUT
3 WHAT THE REMEDIES SHOULD BE HAVE BEEN MADE. I THINK WE
4 CAN SPECIFY THAT, YOU KNOW. IT'S NOT -- IN ORDER TO
5 HELP ALLEVIATE THE CONCERN THAT IT'S -- YOU KNOW,
6 PEOPLE ARE IMMEDIATELY GOING TO JUMP TO THE CONCLUSION
7 THAT IT'S THE FIRST STEP IN HAVING THE BOOK THROWN AT
8 THEM.

9 MS. TRGOVCICH: I DON'T WANT TO BELABOR THIS
10 POINT AT ALL, BUT I JUST WANT TO DESCRIBE THE
11 RATIONALE. I THINK THAT WHAT WE DID SEE A SURVEY BEING
12 VALUABLE FOR, IN ADDRESSING MR. EATON'S POINT OF STAFF
13 RESOURCES, WE WOULD LOOK AT IT AS A FOCUSED SURVEY. SO
14 WE WOULD SEE IT AS A NARROW UNIVERSE OR PERHAPS A
15 UNIVERSE WHERE WE'D WORK THROUGH THE ASSOCIATION, SUCH
16 AS GMA, SUCH AS SOAP AND DETERGENT, SO WE WOULD BE
17 DEALING WITH THE LEAD ASSOCIATION IN THAT SENSE. BUT
18 WHAT WE WERE ALSO HOPING TO GET WAS MORE INFORMATION.
19 WE COULD SEND A CERTIFICATION OUT THAT
20 LET THESE FOLKS CHECK A BOX, BUT WHAT IS VERY
21 INTERESTING TO US AS WELL IS IN DETERMINING, FOR
22 EXAMPLE, THE SOURCE REDUCTION COMPONENT, WOULD WE WANT
23 THAT INFORMATION PROVIDED TO US IN TERMS OF MATERIAL
24 REDUCED BY WEIGHT. WOULD WE WANT THAT ADDITIONAL
25 INFORMATION IN DIFFERENT FORMS, AND IT MAY GIVE US THAT



1 OPTION TO WORK WITH THOSE FOLKS.

2 BOARD MEMBER CHESBRO: WE'D HAVE THE SAME
3 PROBLEM WITH THE SURVEY.

4 MS. TRGOVCICH: IT JUST -- IT BECOMES AN
5 OPTION OF CHECKING A BOX VERSUS PROVIDING MORE
6 INFORMATION, AND THAT'S NOT TO SAY YOU COULDN'T DO
7 BOTH. YOU COULD REQUIRE A CERTIFICATION FORM. IF YOU
8 LOOK AT THE REGULATIONS, WE CAN REQUEST THROUGH THAT
9 CERTIFICATION ADDITIONAL INFORMATION, SO WE CAN DO IT
10 THROUGH EITHER ROUTE, CORRECT.

11 BOARD MEMBER EATON: BUT THE STATUTORY SCHEME,
12 AND THAT'S THE BEAUTY OF OUR COLLEAGUES, WHICH PROBABLY
13 MR. FRAZEE VOTED FOR THE BILL, IF I REMEMBER AT THE
14 TIME - - AND I COULD CHECK THAT TOO, BUT I WON'T DO
15 THAT -- IS THE FACT THAT THE AUDIT DOES PROVIDE US THAT
16 OPPORTUNITY, WHERE A VOLUNTARY SURVEY WOULD NOT. AND I
17 THINK THAT'S THE KEY COMPONENT IN ORDER TO MOVE THE
18 ROCK ALONG, AND IT'S THERE. IT WAS WELL THOUGHT OUT.
19 IT WAS BROUGHT. IT'S, I THINK, A BALANCED STATUTE
20 WHICH BASICALLY SAYS, YOU KNOW, THESE FORMULAS AND ALL
21 THESE OTHER WAYS OF CALCULATING IT MAY NOT BE THE ONLY
22 WAY PEOPLE CAN COMPLY, AND THOSE ARE THE OTHER FOUR,
23 BUT WE HAVE TO AT LEAST FIND THAT OUT.
24 AND I DO BELIEVE THAT WE'RE NOT LOOKING
25 HERE TO PUNISH PEOPLE OR ANYTHING LIKE THAT. I THINK



1 WE'RE LOOKING HERE TO SAY THIS IS, AND I WOULD AGREE,
2 THAT IT'S SOMETHING WE HAVE TO JUST KIND OF MOVE TO THE
3 NEXT LEVEL AND LET'S JUST SEE WHERE WE CAN GO. WE CAN
4 STILL CONTINUE TO WORK WITH ALL OF THE ASSOCIATIONS.
5 THINK MOST OF THE PEOPLE IN THE ASSOCIATIONS WHO KNOW
6 ME PROBABLY WOULD HAVE A LOT MORE BELIEF THAT I COULD
7 FASHION A COMPROMISE BECAUSE I'VE BEEN INVOLVED IN SOME
8 OF THESE SITUATIONS WHICH ARE VERY SENSITIVE.
9 I THINK THE OTHER THING IT POINTS OUT IS
10 THAT A LOT OF THIS INFORMATION IS PROPRIETARY, AND IT'S
11 PROPRIETARY BECAUSE OF THE STATUTE. AND THAT'S THE
12 OTHER THING THAT I THINK IS WHY I BELIEVE THE STATUTE
13 WAS WELL WRITTEN AND WELL DRAFTED BECAUSE IT DOES
14 PROVIDE FOR THOSE PROPRIETARY TYPES OF INFORMATION FROM
15 BEING PUT OUT IN THE PUBLIC DOMAIN BY ANY ACTION THIS
16 BOARD OR THE STAFF IN CONJUNCTION WITH THIS BOARD WOULD
17 DO.

18 BOARD MEMBER CHESBRO: MR. CHAIRMAN.

19 CHAIRMAN PENNINGTON: MR. FRAZEE WANTED TO --

20 BOARD MEMBER FRAZEE: I'M GOING TO SURPRISE
21 EVERYONE HERE BY SUPPORTING THE CERTIFICATION OPTION
22 AND FOR TWO REASONS. FIRST OF ALL, AND THIS SHOWS THE
23 ADVANTAGE OF EXTENSIVE DEBATE WHETHER WE QUESTION OR
24 NOT, BUT I'M CONVINCED BY MR. EATON'S ARGUMENT THAT
25 IT'S STATUTORY COMPLIANCE. AND HAVING SPENT 16 YEARS



1 VOTING ON STATUTES, I BELIEVE IN THAT. THE SECOND
2 REASON IS I ALSO BELIEVE, AS THE OLD SAYING GOES, THE
3 BEST WAY TO ELIMINATE AN UNJUST LAW IS TO ENFORCE IT TO
4 ITS ULTIMATE. AND SO I'M GOING TO SUPPORT THE
5 CERTIFICATION OPTION AND OTHERWISE THE STAFF
6 RECOMMENDATION -- OR I WOULD LIKE TO MOVE THE STAFF
7 RECOMMENDATION AS IT INCLUDES THAT OPTION.

8 BOARD MEMBER EATON: PRIOR TO THE STAFF
9 RECOMMENDATION, AND I THANK YOU, MR. FRAZEE, FOR HAVING
10 AN OPEN MIND ON THE DEBATE, AND I LOOK FORWARD. I
11 WATCHED YOU ON THE FLOOR MANY, MANY TIMES IN YOUR
12 PERSUASIVENESS, AND I HOPE THAT I TOO WILL SHARE THE
13 SAME CHARACTERISTIC ON AN ISSUE OF CONCERN TO YOU, AND
14 I AVOW TO YOU THAT I WILL.
15 I HAVE, IT SHOULD COME AS NO SURPRISE,
16 ALSO PREPARED A RESOLUTION THAT WOULD COMPORT WITH THE
17 CERTIFICATION PROCESS, WHICH I WOULD LIKE TO, AT THE
18 APPROPRIATE TIME, EITHER TO DISTRIBUTE, AND THEN IF
19 INDIVIDUALS NEED AN OPPORTUNITY TO LOOK AT IT, PERHAPS
20 MAYBE AFTER LUNCH COME BACK AND THEN FASHION A MOTION
21 WHICH AT LEAST SOME OF US OR MOST OF US CAN AGREE TO
22 WITH REGARD TO THE CERTIFICATION AND ALSO INCLUDING
23 SOME OF THE ELEMENTS THAT THE STAFF HAS RECOMMENDED AS
24 WELL. MR. CHAIRMAN.

25 CHAIRMAN PENNINGTON: WELL, WE HAVE A MOTION,



1 BUT I NEED A SECOND FOR IT.

2 BOARD MEMBER EATON: I DIDN'T HEAR A MOTION.

3 CHAIRMAN PENNINGTON: MR. FRAZEE MADE A
4 MOTION.

5 BOARD MEMBER FRAZEE: I MOVED, IN EFFECT, THE
6 STAFF RECOMMENDATION AS IT INCLUDES THE CERTIFICATION
7 OPTION. THAT ENCOMPASSES EVERYTHING THAT WE WANTED TO
8 DO.

9 BOARD MEMBER CHESBRO: AND WAS THE
10 CERTIFICATION LANGUAGE IN THE STAFF'S RESOLUTION?

11 MS. TRGOVCICH: WE HAD JUST RECEIVED THE
12 WRITTEN MOTION A COUPLE OF DAYS AGO, SO IT'S NOT IN THE
13 RESOLUTION IN THE PACKET. SO BUT IT IS -- IT WAS
14 HANDED OUT, I BELIEVE, TO EACH MEMBER, THE TRANSMITTAL
15 MOTION WAS. I WOULD ASK MEMBER FRAZEE IF THE STAFF
16 RECOMMENDATION IS THE ONE THAT WAS MADE AT COMMITTEE OR
17 OUR REFERENCE EARLIER WHERE WE ARE SUGGESTING
18 ELIMINATING FROM THE STAFF RECOMMENDATION STEPS 3, 4,
19 AND 6 UNTIL WE GET THE SURVEYS OR CERTIFICATIONS
20 RETURNED TO US.

21 BOARD MEMBER FRAZEE: THAT'S WHAT I INTENDED.
22 THAT WAS WHAT I INTENDED WAS TO ELIMINATE THOSE OTHER
23 STEPS.

24 BOARD MEMBER CHESBRO: UNTIL THE
25 CERTIFICATIONS HAVE BEEN RETURNED.



1 MR. CHANDLER: WHAT ABOUT THE POINT IF
2 CERTIFICATION IS NOT RETURNED, THAT IT WOULD BE VIEWED
3 AS NONCOMPLIANCE?
4 BOARD MEMBER FRAZEE: I WOULD NOT WANT TO
5 INCLUDE THAT.
6 BOARD MEMBER JONES: IN THAT CASE, I'LL SECOND
7 YOUR MOTION.
8 BOARD MEMBER EATON: I WOULD RAISE THE ISSUE
9 THAT STEP 1 GOES BACK TO, AGAIN, THE ISSUE OF HAVING TO
10 TRY AND LOCATE A UNIVERSE IN ITS ENTIRETY, AND I DON'T
11 THINK THAT THAT'S WHAT WE WANT TO GO DOWN EITHER
12 BECAUSE THE STAFF RECOMMENDATION, THE FIRST STEP IS TO
13 DETERMINE WHICH MANUFACTURERS ARE COVERED BY THE
14 STATUTE, AND YOU GET INTO THAT KIND OF STUFF. I'M
15 TRYING TO AVOID MR. JONES' SITUATION WHEREIN WE TAKE AN
16 INORDINATE AMOUNT OF STAFF TIME.
17 I THINK THE PRUDENT WAY TO PROCEED IS
18 PERHAPS MAYBE DURING THE LUNCH HOUR, WHEN WE HAVE TO GO
19 BACK IN OUR CLOSED SESSION, THAT STAFF LOOK AT PERHAPS
20 PUTTING SOMETHING IN WRITING OR AT LEAST HERE THAT WE
21 CAN LOOK AT AND THEN REVIEW AND THEN VOTE ON AFTER
22 LUNCH.
23 CHAIRMAN PENNINGTON: IS THAT ACCEPTABLE?
24 BOARD MEMBER FRAZEE: YES. I THINK WE NEED TO
25 BE CLEAR ON THIS ISSUE, SO I'LL WITHDRAW THAT MOTION.



1 MS. TRGOVCICH: SO, MR. CHAIRMAN, WAS YOUR
2 SUGGESTION THAT WE GO BACK, AND BASED UPON THE
3 REGULATIONS, WE CAN LOOK AT A RANDOM SELECTION, FOCUS
4 CONTAINER TYPE, SAMPLING, OR CERTIFICATION, PRODUCT
5 TYPE HELD BY CONTAINER, COMPANY SIZE, WE CAN LOOK AT
6 ANY OF THOSE CRITERIA AS THE BASIS FOR THE
7 CERTIFICATION PROCESS, THAT WE SHOULD RECOMMEND WHICH
8 OF THOSE CRITERIA TO PURSUE.

9 BOARD MEMBER EATON: I THINK THAT YOU CAN
10 BEGIN. THE PROCESS, AND I HAVE A RESOLUTION WHICH I'LL
11 SHARE WITH YOU AND DURING THE LUNCH HOUR WITH STAFF.
12 THINK THAT THERE IS A PROCEDURE BY WHICH WE ARE LIMITED
13 IN TERMS OF WHERE WE CAN GO AND THOSE KINDS OF THINGS,
14 AND I THINK STAFF IS WELL VERSED ON THAT.

15 CHAIRMAN PENNINGTON: OKAY. FINE. THAT MEET
16 WITH EVERYBODY'S APPROVAL? IF SO, WE'LL BREAK NOW FOR
17 LUNCH AND THE BOARD WILL GO INTO CLOSED SESSION TO
18 DISCUSS LEGAL ISSUES AND PERSONNEL ISSUES, AND WE WILL
19 RETURN AT 2:30.

20 (RECESS TAKEN.)

21 CHAIRMAN PENNINGTON: OKAY. GOOD AFTERNOON.
22 WELCOME BACK. FIRST I'LL START WITH MR. EATON. DO YOU
23 HAVE ANY EX PARTES THAT YOU NEED TO DISCLOSE? I THINK
24 WE'VE ALL BEEN CLOSETED, SO I'M NOT SURE THERE'S
25 ANYTHING.



1 BOARD MEMBER EATON: MR. SWEETSER HAD HIS
2 USUAL KIND OF COMMENTS TO ME, SO I'LL GO ON THE RECORD
3 AS MR. SWEETSER CAME UP TO ME AND HARASSED ME, BUT IN A
4 FRIENDLY WAY.

5 CHAIRMAN PENNINGTON: GOOD. OKAY.

6 BOARD MEMBER JONES: YEAH. I HAD MR. SWEETSER
7 TOO.

8 BOARD MEMBER CHESBRO: HE GOT AROUND, DIDN'T
9 HE, MR. SWEETSER AND MS. DELMATIER, AND WE ACTUALLY
10 TALKED ABOUT THE RPPC ITEM.

11 BOARD MEMBER EATON: AS DID ALL OF US.

12 BOARD MEMBER FRAZEE: THEY DIDN'T WANT TO TALK
13 TO ME.

14 CHAIRMAN PENNINGTON: DON'T FEEL BAD. THEY
15 DIDN'T TALK TO THE CHAIRMAN EITHER.

16 BOARD MEMBER AMODIO: I GUESS I'M ON THE TEAM.
17 I HAD THE PLEASURE OF MR. SWEETSER AND MS. DELMATIER
18 COMING UP AND INTRODUCING THEMSELVES.

19 CHAIRMAN PENNINGTON: OKAY.
20 AS WE LEFT OFF, STAFF WAS GOING TO
21 PREPARE A RESOLUTION. IN THE ONGOING SAGA OF THIS
22 ITEM, WHILE WE WERE OUT, THERE ARE TWO MORE PEOPLE WHO
23 WISH TO ADDRESS THE ITEM. I WOULD SAY THAT WE'RE
24 ALMOST AT THE POINT OF A MOTION, SO I WILL ASK IF IT'S
25 THE PLEASURE OF THE BOARD IF YOU WANT TO HEAR FROM



1 THEM, TWO MORE PEOPLE.

2 BOARD MEMBER FRAZEE: I GUESS WE'RE OBLIGATED
3 TO.

4 BOARD MEMBER EATON: I BELIEVE WE SHOULD.

5 CHAIRMAN PENNINGTON: OKAY. VERY GOOD. WE'LL
6 HEAR FROM MR. SWEETSER.

7 BOARD MEMBER EATON: NOT AGAIN.

8 BOARD MEMBER CHESBRO: THAT'S OKAY. THERE'S
9 TWO BOARD MEMBERS FEELING KIND OF JILTED HERE.

10 MR. SWEETSER: I THINK YOU'RE ALL STILL MAD
11 ABOUT THE BINDER. MY NAME IS LARRY SWEETSER FOR NORCAL
12 WASTE SYSTEMS, AND I'LL MAKE IT REAL BRIEF. WE'D LIKE
13 TO, AS A SUPPORTER OF SB 235 WAY BACK WHEN AND A LOT OF
14 OTHER MARKET DEVELOPMENT EFFORTS, WE'D LIKE TO SEE
15 THESE ACTIVITIES OUT THERE THAT CAN HELP US FIND
16 MARKETS FOR THE MATERIALS THAT WE COLLECT. AS A
17 COLLECTOR, WE KNOW ALL THE DIFFICULTIES ENCOUNTERED
18 WITH THAT.

19 HAVING OBSERVED THIS PROCESS ON RPPC FOR
20 QUITE A WHILE, IT'S A PLEASURE TO SEE IT GOING IN THIS
21 KIND OF A DIRECTION. I THINK THERE'S STILL MANY
22 DETAILS TO WORK OUT ON WHAT YOU NEED TO DO, BUT I THINK
23 THE BALANCE IS THERE. I THINK YOU'RE STRIKING A GOOD
24 BALANCE BETWEEN WHAT THE STATUTES SAY AND THE REALITIES
25 OF WHAT WE FACE OUT THERE. JUST WANT TO ENCOURAGE YOU



1 IN THIS MARKET DEVELOPMENT EFFORT. MARKETS ARE A MAJOR
2 FRONTIER, BOTH FOR THE 50-PERCENT DIVERSION GOALS AND
3 BEYOND. ANYTHING YOU CAN DO TO HELP US IN THAT REGARD
4 IS GOOD.

5 ALTHOUGH PLASTICS IS ONLY .05 OF THE
6 WASTESTREAM, I THINK YOU'RE TAKING SOME STEPS THAT
7 HOPEFULLY WE CAN USE IN OTHER AREAS OF THE MARKET
8 DEVELOPMENT TO GET US WHAT WE NEED TO BE DOING IN OTHER
9 AREAS. HOPEFULLY YOU CAN DEVOTE THAT KIND OF EFFORT TO
10 MANY OF THE OTHER MARKETS THAT WE'RE FACING OUT THERE
11 THAT ARE MISSING NOW. JUST WANTED TO LEND OUR SUPPORT
12 AND HOPE YOU CAN GO IN THAT DIRECTION. THANK YOU.

13 CHAIRMAN PENNINGTON: THANK YOU. NEXT WE HAVE
14 EVAN EDGAR.

15 MR. EDGAR: GOOD AFTERNOON, BOARD MEMBERS.

16 MR. AMODIO, WELCOME TO THE WASTE BOARD. MY NAME IS
17 EVAN EDGAR REPRESENTING THE CALIFORNIA REFUSE REMOVAL
18 COUNCIL. I REPRESENT OVER ONE HUNDRED CURBSIDE
19 COLLECTORS, 50 MRF'S, AND OVER 300 CERTIFIED AB 2020
20 RECYCLING CENTERS.
21 WE HAVE THE INFRASTRUCTURE TO COLLECT
22 RPPC'S. WE DO THAT EVERY DAY. AND WE WILL CONTINUE TO
23 COLLECT THAT AND PROCESS THOSE, BUT WE DO NEED MARKETS.
24 WE FEEL TODAY'S RESOLUTION WILL BE A MARKET DEVELOPMENT
25 TOOL TO SEND AN ENFORCEMENT MESSAGE TO THE PLASTICS



1 INDUSTRY.

2 BACK IN JANUARY 1998 I WAS UP HERE

3 TESTIFYING IN SUPPORT OF ENFORCEMENT ACTIONS AGAINST --

4 TO SUPPORT SB 235, I BELIEVE IT WAS, AND I WILL

5 CONTINUE THAT QUEST TODAY. WE SUPPORT THE RESOLUTION.

6 THANK YOU.

7 CHAIRMAN PENNINGTON: OKAY. ANY QUESTIONS OF

8 ANYBODY? OKAY. I THINK WE'RE READY, MR. EATON.

9 BOARD MEMBER EATON: A COUPLE OF COMMENTS ARE

10 IN ORDER. I THINK THE BREAK THAT WE TOOK DID RESOLVE

11 SOME OF THE OUTSTANDING ISSUES, AND I WOULD LIKE TO

12 KIND OF JUST IDENTIFY THOSE SEPARATE AND APART BEFORE

13 WE GET INTO THE RESOLUTION SO THAT THERE'S NO MISTAKE

14 THAT -- WHEN WE DO PRESENT THE RESOLUTION.

15 ONE OF THE CONCERNS WITH REGARD TO

16 RESOLUTION 98-101 AS REVISED AND HANDED OUT WAS THE

17 REQUIREMENT IN THE ORIGINAL RESOLUTION OF 30 DAYS IN

18 WHICH THE BOARD STAFF WOULD SEND OUT THE CERTIFICATION.

19 AFTER CONFERRING - - AFTER THE STAFFS HAVE CONFERRED,

20 THEY, I BELIEVE, HAVE AGREED TO 60 DAYS AND THAT

21 PROVISION.

22 THE SECOND CHANGE WOULD HAVE BEEN IN

23 PARAGRAPH 2, WHICH HAD IDENTIFIED THE MONTH OF JUNE BY

24 WHICH THIS BOARD WOULD HOLD A PUBLIC HEARING PURSUANT

25 TO THE PUBLIC RESOURCES CODE. THAT NOW HAS BEEN



1 CHANGED TO AUGUST.

2 MS. TRGOVCICH: I BELIEVE IT WOULD BE AUGUST
3 OR SEPTEMBER.

4 BOARD MEMBER EATON: THAT'S FINE. AUGUST OR
5 SEPTEMBER.

6 AND THE FOLLOWING GRAMMATICAL CHANGE

7 WOULD READ THAT THE CIWMB SHALL HOLD A PUBLIC HEARING
8 FOR STAFF TO REPORT ON THEIR COMPLIANCE AS OPPOSED TO
9 FOR THE MANUFACTURERS TO REPORT. I JUST WANT TO BE
10 CLEAR ON THAT MATTER.

11 AND THE OTHER ISSUE THAT IS OUTSTANDING

12 IS WHAT ARE WE LOOKING FOR IN TERMS OF A FLOOR OR A
13 POSSIBLE CEILING TO AVOID SOME OF THE STAFF WORKLOAD AS
14 WELL AS SOME OF THE OTHER PROBLEMS IDENTIFIED WITH
15 IDENTIFYING JUST WHO ARE THESE INDIVIDUALS. AND I
16 BELIEVE MINIMUM OF 250 AND OBVIOUSLY PERHAPS A CEILING
17 OF 500 WOULD BE SENT, AND THE FLOOR BEING 250, AND I
18 THINK SEEMED TO BE A REASONABLE AMOUNT, AT LEAST
19 ACCORDING TO STAFF. AND I'LL TURN IT OVER.

20 MS. TRGOVCICH: CERTAINLY. WE APPRECIATE THE
21 RANGE. WE APPRECIATE THE FLOOR. WE APPRECIATE THE
22 CEILING. I WOULD JUST ASK MEMBER EATON OR ANY OF THE
23 OTHER MEMBERS IF YOU HAVE ANY DIRECTION REGARDING WHO
24 THE 250 WOULD BE, OR ARE YOU LEAVING THAT TO STAFF
25 DISCRETION?



1 BOARD MEMBER EATON: WELL, I THINK THAT ONE OF
2 THE ITEMS THAT I WOULD LIKE IS I WOULD LIKE A RANDOM
3 SAMPLING OF THE DIFFERENT TYPES THAT MIGHT BE IN THE
4 REGULATIONS THAT WE HAVE. AND I THINK THERE WAS A
5 NUMBER OF - -

6 MS. TRGOVCICH: WE HAD IDENTIFIED 20 OR 21
7 SIC'S FOR WHICH THE MANUFACTURERS FIT IN.

8 BOARD MEMBER EATON: I THINK THAT WITHIN THOSE
9 21, TRYING TO GET A GOOD REPRESENTATIVE SAMPLE OF
10 THOSE, I THINK THERE'S ENOUGH INFORMATION THAT YOU HAVE
11 ACQUIRED ALREADY AS TO THOSE THAT MIGHT BE IN
12 COMPLIANCE, THOSE THAT MIGHT BE SUSPECT, AND THOSE THAT
13 JUST SORT OF NEED TO BE KIND OF TAKEN OUT WITHIN THOSE
14 CODES. I DON'T THINK YOU HAVE TO HAVE AN EVEN
15 DISTRIBUTION OF, YOU KNOW, FIVE, FIVE, AND FIVE, WHICH
16 MAKE UP A HUNDRED FIVE OR ANYTHING LIKE THAT. I THINK
17 THAT YOU NEED TO GET SOME REPRESENTATIVE SAMPLING FOR
18 IT TO BE ACCURATE.

19 CHAIRMAN PENNINGTON: OKAY. MR. FRAZEE.

20 BOARD MEMBER FRAZEE: COULD I ASK A QUESTION?
21 WHAT ABOUT THE IN-STATE VERSUS OUT-OF-STATE PRODUCERS?

22 MS. TRGOVCICH: ALL PRODUCTS THAT ARE SOLD IN
23 THE STATE OF CALIFORNIA ARE SUBJECT TO THE LAW. I
24 THINK WHAT WE WOULD NEED TO LOOK TO IS LOOK TO HOW THE
25 MANUFACTURERS ARE IDENTIFIED WITHIN THE SIC CODES. IF



1 THERE'S SOME DIRECTION THE BOARD WANTS TO PROVIDE THAT
2 YOU DO OR DO NOT WANT TO PURSUE OUT-OF-STATE OR
3 OUT-OF-COUNTRY MANUFACTURERS, THAT'S CERTAINLY
4 SOMETHING THAT WE WOULD APPRECIATE THAT DIRECTION.

5 BOARD MEMBER FRAZEE: I DON'T HAVE A
6 SUGGESTION. I JUST WANTED TO --

7 BOARD MEMBER EATON: I THINK YOU WANT TO KIND
8 OF AVOID -- BECAUSE IT IS SUCH A NEW ARENA, WE DON'T
9 WANT TO GET INTO THE STATISTICAL INSUFFICIENT SAMPLE
10 AND THOSE KIND OF THINGS. I THINK JUST A RANDOM
11 SAMPLING IN THE CODES, AND I THINK THE STAFF CAN DO
12 THAT, GIVES US THE KIND OF INFORMATION WE NEED IN WHICH
13 TO TAKE THE NEXT STEP BECAUSE THERE MAY BE A SITUATION
14 WHERE YOU ACTUALLY DON'T WANT TO GO BACK TO A
15 PARTICULAR CATEGORY, OR YOU MAY WANT TO GO INTO ANOTHER
16 CATEGORY. SO I THINK RANDOM IS ACTUALLY THE BEST
17 WITHIN THOSE 21 CATEGORIES. THEN YOU DON'T GET INTO
18 THE ISSUE OF STATISTICAL ACCURACY AND STANDARD
19 DEVIATION MEAN AND WAS THERE A REPRESENTATIVE SAMPLE.
20 THEN YOU START TO GET INTO SURVEYS AND POLLS. I DON'T
21 THINK THAT'S WHAT WE'RE LOOKING FOR TO DO HERE OR TO
22 BURDEN STAFF WITH TRYING TO FIGURE OUT WHAT IT IS WE
23 SHOULD GIVE THEM. SINCE IT IS SUCH NEW TERRITORY, AS
24 WIDE BERTH AS POSSIBLE TO KIND OF JUST BE
25 REPRESENTATIVE.



1 AND I THINK, YOU KNOW, WE CAN GO TO THE

2 INDUSTRY AND WE CAN TALK TO THEM AND THE KINDS OF

3 CATEGORIES THAT MIGHT BE HELPFUL.

4 BOARD MEMBER CHESBRO: I WAS GOING TO SUGGEST

5 THAT WE TALK TO THE TRADE ASSOCIATIONS AS ONE OF THE

6 METHODS OF DETERMINING THE BEST WAY TO COME UP WITH THE

7 LIST.

8 MS. TRGOVCICH: ABSOLUTELY.

9 CHAIRMAN PENNINGTON: OKAY. MR. EATON, DO YOU

10 WANT TO MOVE THIS RESOLUTION?

11 BOARD MEMBER EATON: YES, I'D LIKE TO MOVE

12 RESOLUTION 98-101 WITH THE CHANGES AS HAS BEEN

13 DESCRIBED.

14 THERE'S ONE OTHER CHANGE THAT STAFF

15 BROUGHT TO ATTENTION, THAT THE NOTICE OF HEARING MAY BE

16 SENT TO PRODUCT MANUFACTURERS, NOT SHALL, WHICH GIVES

17 US A LITTLE MORE DISCRETION AS WELL.

18 MS. TRGOVCICH: CORRECT. I THINK OUR ISSUE

19 WAS, OF COURSE, ANY OF THOSE MANUFACTURERS RECEIVING

20 THE CERTIFICATION FORMS WOULD, OF COURSE, RECEIVE THE

21 FORM NOTICE OF HEARING, BUT WE DIDN'T WANT IT IMPLIED

22 THAT WE HAD TO GO TO THE UNIVERSE THERE.

23 BOARD MEMBER JONES: I'LL SECOND THE MOTION.

24 CHAIRMAN PENNINGTON: OKAY. MOTION TO ADOPT

25 RESOLUTION 98-101 HAS BEEN MOVED AND SECONDED. ANY



1 FURTHER DISCUSSION? MR. CHESBRO.

2 BOARD MEMBER CHESBRO: I JUST WANTED TO, AT
3 LEAST ON BEHALF OF THIS BOARD MEMBER, AND I THINK I
4 COULD SAFELY SAY THE REST OF THE BOARD, EXTEND A HAND
5 TO THE INDUSTRY, THE MANUFACTURERS WHO USE THESE
6 PRODUCTS. I THINK THE HISTORY OF EACH OF THE REGULATED
7 ENTITIES, IF YOU WILL, WHETHER IT'S LOCAL GOVERNMENT OR
8 NEWSPRINT OR SOME OTHER PROGRAMS WHICH WEREN'T ACTUALLY
9 DIRECTLY LEGISLATED, LIKE OUR OVERALL PAPER GOALS, WE
10 HAVE HAD COOPERATIVE, COMMUNICATIVE RELATIONSHIPS THAT
11 REALLY HAVE RESULTED IN SIGNIFICANT COMPLIANCE WITHOUT
12 ENFORCEMENT. AND I THINK THAT IS THE PREFERRED
13 ALTERNATIVE, AND I THINK WE'RE LAYING THE FRAMEWORK
14 HERE FOR THAT. AND WE SHOULD WORK HARD TO ATTEMPT TO
15 ACHIEVE THAT TO THE EXTENT POSSIBLE WITHIN THE
16 FRAMEWORK OF WHAT MR. EATON POINTED OUT EARLIER IS THE
17 STATUTORY REQUIREMENT THAT IS ULTIMATELY OUT THERE.
18 AND WITH LOCAL GOVERNMENTS WE FOUND THAT
19 WITH FINES, I THINK, FOR THREE JURISDICTIONS OUT OF
20 580, BUT I THINK THAT THE RATE OF COMPLIANCE WITHOUT
21 FINES FOR LOCAL GOVERNMENTS, AS ONE EXAMPLE, WAS
22 PHENOMENAL. AND I THINK WE CAN ACHIEVE SIMILAR RESULTS
23 IF WE WORK TOGETHER ON THIS ITEM. SO...

24 CHAIRMAN PENNINGTON: OKAY. IF THERE'S NO
25 FURTHER DISCUSSION, WILL THE SECRETARY CALL THE ROLL.



1 THE SECRETARY: BOARD MEMBER AMODIO.
2 BOARD MEMBER AMODIO: ABSTAIN.
3 THE SECRETARY: CHESBRO.
4 BOARD MEMBER CHESBRO: AYE.
5 THE SECRETARY: EATON.
6 BOARD MEMBER EATON: AYE.
7 THE SECRETARY: FRAZEE.
8 BOARD MEMBER FRAZEE: AYE.
9 THE SECRETARY: JONES.
10 BOARD MEMBER JONES: AYE.
11. THE SECRETARY: CHAIRMAN PENNINGTON.
12 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.
13 YOU KNOW, I BELIEVE THAT IT SEEMS TO ME THAT WE HAVE AN
14 OPPORTUNITY HERE AND AN OBLIGATION HERE THAT THE BOARD
15 TO ASSIST THE PLASTIC INDUSTRY IN THEIR EFFORTS TO MEET
16 THE STATUTORY REQUIREMENTS AND INCREASE USE OF RECYCLED
17 MATERIALS IN A MORE COMPREHENSIVE MANNER. I BELIEVE
18 THAT LESSONS LEARNED IN THE IMPLEMENTATION OF OTHER
19 COMMODITIES, SPECIFIC PROGRAMS SUCH AS TRASH BAGS, THE
20 NEWSPRINT PROGRAM, AND THE ORGANICS PROGRAM, ARE OF
21 GREAT VALUE AND COULD BE APPLIED TO THE RPPC PROGRAM.
22 TAKING A MOVE TO INTEGRATE COMPREHENSIVE APPROACHES
23 WILL LEAD TO BUILDING STRONGER MARKETS AND INCREASING
24 THE USE OF RECYCLED MATERIAL.
25 THEREFORE, I WOULD LIKE FOR THE MARKET



1 STAFF TO MAYBE COME TO THE ADMIN COMMITTEE AND TO THE
2 BOARD WITH A PLAN AS HOW WE CAN BETTER SERVE THE
3 PLASTICS INDUSTRY AND TO DEVELOP MARKETS, HELP DEVELOP
4 MARKETS IN EITHER A PARTNERSHIP OR OTHER FORMS, THAT WE
5 NEED TO TAKE A LOOK AT THIS ENTIRE PICTURE MORE THAN
6 JUST ATTEMPTING TO DEAL WITH THE RATE. WE NEED TO LOOK
7 AT HOW WE CAN HELP THEM GET TO THAT RATE. SO I'D ASK
8 STAFF TO COME BACK TO THE ADMIN COMMITTEE IF THERE
9 NEEDS TO BE SOME ASSIGNMENT AND CERTAINLY TO THE FULL
10 BOARD WITH A LITTLE MORE COMPREHENSIVE PLAN.

11 MS. TRGOVCICH: SO WHAT YOU'RE REQUESTING IS
12 THAT WE DEVELOP A BROADER PLAN FOR PLASTICS TAKING INTO
13 ACCOUNT ALL OF THE OTHER THINGS WE DO AND BRING THAT
14 FORWARD INTO ADMIN COMMITTEE FOR CONSIDERATION OF
15 WHERE --

16 BOARD MEMBER CHESBRO: MR. CHAIRMAN, IF THIS
17 IS AN ATTEMPT TO MOVE THE RPPC ITEM OUT OF -- I'M NOT
18 QUITE CLEAR, BUT IF IT IS AN ATTEMPT TO MOVE, ONCE
19 AGAIN, AFTER SEVERAL PREVIOUS ATTEMPTS, OUT FROM THE
20 LOCAL ASSISTANCE AND PLANNING COMMITTEE, I OBJECT. IF
21 IT'S AN ATTEMPT TO FOCUS ON THE MARKETS PART OF THE
22 PLASTICS ISSUE AND DEVELOP IT FURTHER BEFORE THE
23 MARKETS COMMITTEE, I THINK THAT'S A VERY GOOD IDEA.
24 AND THE REASON WHY THE ISSUE WAS
25 ORIGINALLY ASSIGNED TO LOCAL ASSISTANCE AND PLANNING



1 WAS BECAUSE IT DIDN'T SIMPLY NEATLY FIT INTO THE
2 MARKETS BECAUSE IT HAD MULTIPLE OPTIONS AND BECAUSE THE
3 ISSUE WAS SUCH A COMPLICATED AND DIFFICULT ONE RELATIVE
4 TO THE PROBLEMS IT PRESENTED LOCAL GOVERNMENTS, BUT IT
5 DOES PROVIDE A RANGE OF OPTIONS FOR COMPLIANCE. AND IF
6 IT WERE SIMPLY A CONTENT MARKET STIMULATING ITEM, THEN
7 IT WOULD LOGICALLY FALL AT MARKETS. BUT BECAUSE IT HAS
8 A BROADER RANGE OF ISSUES, I THINK IT SHOULD REMAIN AT
9 LOCAL ASSISTANCE AND PLANNING.
10 AND SO I GUESS I'D LIKE SOME
11 CLARIFICATION. AND IF IT'S -- AGAIN, I'D BE HAPPY TO
12 MAKE A MOTION OR SUPPORT IT IF IT'S TO STRENGTHEN THE
13 MARKETS ROLE RELATIVE TO DEVELOPING MARKETS FOR
14 PLASTICS.

15 CHAIRMAN PENNINGTON: I DON'T BELIEVE I EVER
16 USED THE WORD MOVE IN ANYTHING FROM ANYWHERE. I
17 BELIEVE WHAT I SAID WAS IS THAT I THINK THE MARKET
18 STAFF SHOULD BE MORE INVOLVED IN ATTEMPTING TO HELP
19 THESE PEOPLE -- THIS PARTICULAR INDUSTRY FIND WAYS TO
20 DEFINE MARKETS FOR -- TO GET THEM INTO COMPLIANCE AND
21 TO HELP THEM. ISN'T THAT THE NAME OF THE GAME? I
22 BELIEVE I HEARD YOU SAY THE NAME OF THE GAME IS
23 COMPLIANCE, AND THAT'S WHAT I'M LOOKING FOR.

24 BOARD MEMBER CHESBRO: WELL, THEN, I THINK A
25 SIMPLE MOTION TO ASK THE MARKET STAFF TO REPORT TO



1 MARKETS ON THE ISSUE WOULD BE SUFFICIENT. I'M JUST A
2 LITTLE SUSPICIOUS ABOUT REFERRING IT TO ADMIN SINCE
3 THERE'S BEEN SEVERAL ATTEMPTS IN THE PAST TO CHANGE THE
4 COMMITTEE ASSIGNMENTS ON THE ISSUE.

5 CHAIRMAN PENNINGTON: THE ONLY REASON I ASKED
6 IT TO GO TO THE ADMIN STAFF WAS BECAUSE IF THERE IS
7 OTHER COMMITTEES OR OTHER PARTS OF THE BOARD THAT NEED
8 TO LOOK AT THIS ISSUE TOO, THAT THEY CAN - - THAT WE CAN
9 LOOK AT THAT. YOU KNOW, I DON'T -- IT'S NOT AN
10 EXCLUSIVE -- I DON'T BELIEVE IT'S EXCLUSIVE OF ANY
11 PARTICULAR COMMITTEE IF IT CROSSES COMMITTEE LINES.
12 AND I JUST WANT TO MAKE SURE THAT THAT'S WHAT WE'RE
13 DOING, THAT WE ARE HERE TO HELP REACH COMPLIANCE AND
14 THAT WE HELP AN INDUSTRY GET TO WHERE -- AS WE HAVE IN
15 OTHER INDUSTRIES.

16 BOARD MEMBER CHESBRO: WELL, IF YOU ARE
17 ASSURING ME THAT THERE'S NO INTENT TO SHIFT THE RPPC
18 ISSUE FROM LOCAL ASSISTANCE, THEN I DON'T HAVE ANY
19 PROBLEM WITH WHAT YOU ARE SUGGESTING.

20 CHAIRMAN PENNINGTON: OKAY.

21 BOARD MEMBER EATON: MR. CHAIRMAN, I THINK
22 THAT STEP 5 ALSO GOES A LONG WAY IN SORT OF -- STEP 5,
23 IF WE COULD ASK THE STAFF IN TERMS OF ONE OF THEIR
24 RECOMMENDATIONS, I THINK KIND OF GOES A LONG WAY, AND I
25 DON'T KNOW IF YOU WANTED TO COMMENT ON THAT.



1 MS. TRGOVCICH: YOU'RE REFERRING TO STEP 5 OF
2 THE STAFF RECOMMENDATION, TO LOOK AT THE COLLECTION/
3 PROCESSING/RECLAIMER INFRASTRUCTURE. THAT IS CERTAINLY
4 SOMETHING THAT WE WOULD RECOMMEND PURSUING, NOT JUST AS
5 IT PERTAINS TO THIS ITEM, BUT AS IT PERTAINS TO FUTURE
6 CALCULATION.

7 CHAIRMAN PENNINGTON: OKAY. MOVE ON TO ITEM
8 22, WHICH IS CONSIDERATION OF THE EFFECTIVENESS OF THE
9 LOS ANGELES COUNTY RAC TECHNOLOGY CENTER AND ALLOCATION
10 OF FUNDING FOR FY '97-'98.

11 MS. TRGOVCICH: CHAIRMAN PENNINGTON AND
12 MEMBERS, IN DEFERENCE TO THE TIME, I WILL MAKE THIS
13 PRESENTATION VERY BRIEF. AND CERTAINLY BOTH MYSELF AND
14 NATE GAUFF OF THE WASTE PREVENTION, MARKET DEVELOPMENT
15 DIVISION ARE HERE TO ANSWER ANY QUESTIONS.
16 IN FISCAL YEAR '96-'97, THE BOARD
17 APPROVED A PROPOSAL TO FUND A RUBBERIZED ASPHALT
18 CONCRETE TECHNOLOGY CENTER THAT WOULD BE STAFFED BY LOS
19 ANGELES COUNTY REPRESENTATIVES. THE BOARD APPROVED IN
20 THAT FISCAL YEAR \$500,000 AND ASKED THE STAFF TO BRING
21 FORWARD IN THE FUTURE FISCAL YEAR AN ADDITIONAL
22 \$500,000 WORTH OF FUNDING FOR THE CENTER.
23 LAST APRIL, IN APRIL OF 1997, FOR THE
24 TIRE FUND ALLOCATION FOR THE CURRENT FISCAL YEAR,
25 FISCAL YEAR '97-'98, THE BOARD APPROVED AN ADDITIONAL



1 \$500,000 TO BE PROVIDED TO THE RUBBERIZED ASPHALT
2 CONCRETE TECHNOLOGY CENTER. THERE WAS A CONDITION
3 PLACED UPON THAT APPROVAL, AND THAT IS THAT AN
4 EFFECTIVENESS EVALUATION OF THE CENTER BE COMPLETED AND
5 BROUGHT BACK TO THE BOARD DURING THE COURSE OF THE
6 CURRENT YEAR SO THAT THE BOARD COULD MAKE A
7 DETERMINATION AS TO WHETHER OR NOT TO COMPLETE THE
8 AGREEMENT FOR THE NEXT FISCAL YEAR'S FUNDING.
9 THAT AGENDA ITEM WAS ORIGINALLY BROUGHT
10 FORWARD IN DECEMBER. SEVERAL OF THE POLICY, RESEARCH
11 AND TECHNICAL ASSISTANCE COMMITTEE MEMBERS HAD
12 QUESTIONS AND ASKED THE LOS ANGELES COUNTY
13 REPRESENTATIVES TO PROVIDE ADDITIONAL INFORMATION.
14 THAT ITEM WAS HEARD BY THE POLICY, RESEARCH AND
15 TECHNICAL ASSISTANCE COMMITTEE THIS MONTH.
16 IN THAT ITEM THE LOS ANGELES COUNTY
17 REPRESENTATIVES PRESENTED A WORK PLAN FOR THE USE OF
18 THE \$500,000 FOR FISCAL YEAR '97-'98. IN THAT WORK
19 PLAN THE CENTER RECOMMENDED TWO SIGNIFICANT CHANGES TO
20 THE WAY THE MONEY FOR THE CURRENT FISCAL YEAR WOULD BE
21 USED.
22 THE FIRST WAS TO PROVIDE INCENTIVE
23 PAYMENTS TO LOCAL AGENCIES TO PROVIDE PAVEMENT
24 DEFLECTION TESTING TO ADEQUATELY CHARACTERIZE THE
25 AMOUNT OF RECONSTRUCTION NECESSARY. LOS ANGELES COUNTY



1 REPRESENTATIVES STATED THAT IN THEIR EXPERIENCE OVER
2 THE PAST SIX MONTHS WITH THE CENTER, THEY FOUND THAT
3 MANY LOCAL AGENCIES DO NOT PERFORM THESE BASIC
4 ENGINEERING TESTS AND, THUS, ARE, THEREFORE, UNAWARE OF
5 THE BENEFITS OF RUBBERIZED ASPHALT CONCRETE. AND SO
6 THE REPRESENTATIVES FEEL THAT THIS WOULD BE A
7 SIGNIFICANT STEP TOWARDS RAISING AWARENESS AND MAKING
8 THIS ISSUE UNDERSTOOD AT THE LOCAL LEVEL.
9 SECONDLY, THE CENTER IS RECOMMENDING THAT
10 \$200,000 OF THE \$500,000 ALLOCATION BE MADE AVAILABLE
11 THEN FOR INCENTIVE PAYMENTS FOR PLANT AND FIELD QUALITY
12 ASSURANCE, QUALITY CONTROL PROCEDURES, OR RAC
13 PROJECTS. CENTER STAFF ALSO FOUND THAT MANY TIMES ONE
14 OF THE PRINCIPAL PROBLEMS ARE ASSOCIATED WITH LACK OF
15 TRAINING AND UNDERSTANDING ON THE PART OF CONTRACT
16 ENGINEERING STAFF, AS WELL AS LOCAL AGENCY STAFF, OF
17 WHAT IS NECESSARY TO MAKE A RAC PROJECT SUCCESSFUL. SO
18 FOR THOSE ENTITIES THAT CHOOSE THE INCENTIVE PAYMENTS
19 TO DO THE ENGINEERING TESTING, THEY WILL THEN BE
20 ELIGIBLE FOR UP TO AN ADDITIONAL \$10,000 IN THE FORM OF
21 ADDITIONAL INCENTIVE PAYMENTS FOR QA, QC CONTROL ON
22 SITE FOR THESE PROJECTS.
23 THE REMAINING 150,000 OF THAT \$500,000
24 ALLOCATION WOULD THEN GO TO CENTER STAFF FOR THEM TO
25 CONTINUE TO PERFORM THEIR OUTREACH SERVICES,



1 CONSULTATION SERVICES, AND CONFERENCE SERVICES THAT
2 THEY CURRENTLY PROVIDE.
3 SO THE ACTION ITEM BEFORE YOU THAT WAS
4 APPROVED BY THE POLICY, RESEARCH AND TECHNICAL
5 ASSISTANCE COMMITTEE IS THE COMMITMENT OF THE
6 ADDITIONAL \$500,000 BROKEN UP INTO THOSE THREE
7 CATEGORIES OF FUNDING.

8 CHAIRMAN PENNINGTON: OKAY. ANY QUESTIONS OF
9 STAFF? OKAY.

10 BOARD MEMBER JONES: WELL, MR. CHAIRMAN, GOD,
11 I AM SHOCKED. HEARING NONE. I GOT TO DIG OUT THE
12 RESOLUTION. I WOULD LIKE TO MOVE APPROVAL ON
13 RESOLUTION --

14 BOARD MEMBER EATON: ASK ONE QUESTION SO YOU
15 CAN FEEL BETTER. I WAS JUST WONDERING, WITH REGARD TO
16 THE EARLIER CONTRACT, THERE'S STILL SOME MONIES THAT
17 ARE LEFT OVER. COULD YOU JUST EXPLAIN WHAT THE RESIDUE
18 OF THOSE MONIES ARE GOING TO BE USED FOR? THE '97-'98
19 MONEY IS LAID OUT, THE \$500,000 ALLOCATION, BUT THE
20 REMAINDER OF THE MONIES THAT WERE ALLOCATED THE FIRST
21 TIME.

22 MS. TRGOVCICH: THOSE MONIES WILL BE USED TO
23 FURTHER THE CENTER'S EFFORTS AS WAS ORIGINALLY
24 DESCRIBED IN THE '96-'97 AGREEMENT. THE CENTER STAFF
25 HAVE EXPENDED SOMEWHERE AROUND 125,000 OF THE FIRST



1 500,000. REMEMBER TOO -- WELL, YOU WOULDN'T REMEMBER.

2 BOARD MEMBER EATON: I'M CLAIRVOYANT. GO
3 AHEAD. TRY ME.

4 MS. TRGOVCICH: THAT THE CENTER STAFF REALLY
5 DIDN'T BEGIN OPERATION UNTIL LATE SUMMER. SO WHAT WE
6 ANTICIPATED TO BE AN EFFORT THAT WOULD BE UNDERTAKEN
7 MUCH EARLIER IN THE FISCAL YEAR DIDN'T BEGIN UNTIL MUCH
8 LATER. IT'S DIFFICULT TO BE ABLE TO BUILD THAT
9 CLIENTELE, WHICH THEY ARE CURRENTLY DOING, SO THEY
10 ANTICIPATE EXPENDING IT. THE AGREEMENT EXPIRES THIS
11 YEAR, BUT WE HAD THE ABILITY TO EXTEND IT FOR
12 ADDITIONAL TIME, WHICH WE WILL BE DOING.

13 BOARD MEMBER EATON: THANK YOU.

14 BOARD MEMBER JONES: MR. CHAIRMAN, I'D LIKE TO
15 MOVE RESOLUTION 98-40, CONSIDERATION OF THE
16 EFFECTIVENESS OF THE L.A. COUNTY RAC TECHNICAL CENTER
17 AND ALLOCATION OF FUNDING FOR FISCAL YEAR '97-'98.

18 BOARD MEMBER FRAZEE: I'LL SECOND.

19 CHAIRMAN PENNINGTON: OKAY. MR. JONES MOVES
20 RESOLUTION 98-40, SECONDED BY MR. FRAZEE. NO FURTHER
21 DISCUSSION. WILL THE SECRETARY CALL THE ROLL, PLEASE.

22 THE SECRETARY: BOARD MEMBER AMODIO.

23 BOARD MEMBER AMODIO: ABSTAIN.

24 THE SECRETARY: CHESBRO.

25 BOARD MEMBER CHESBRO: AYE.



1 THE SECRETARY: EATON.
2 BOARD MEMBER EATON: AYE.
3 THE SECRETARY: FRAZEE.
4 BOARD MEMBER FRAZEE: AYE.
5 THE SECRETARY: JONES.
6 BOARD MEMBER JONES: AYE.
7 THE SECRETARY: CHAIRMAN PENNINGTON.
8 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.
9 MOVE TO ITEM 23, CONSIDERATION OF
10 APPROVAL OF RECYCLING MARKET DEVELOPMENT ZONE REVOLVING
11 LOAN PROGRAM APPLICATION FOR KROEKER, INC.
12 MS. TRGOVCICH: GOOD AFTERNOON, MR. CHAIRMAN,
13 AGAIN -- YOU ARE GETTING US ALL AT ONCE -- AND
14 MEMBERS. THIS ITEM WAS HEARD IN MARKET COMMITTEE
15 EARLIER THIS MONTH, AND AS MEMBER JONES EXPLAINED VERY
16 WELL FOR EVERYONE, THERE WAS A QUESTION RAISED
17 REGARDING THE APPLICABILITY OF OUR REGULATIONS AND
18 PERMIT REQUIREMENTS TO THIS PARTICULAR FACILITY. AND
19 50 SUBSEQUENT INSPECTIONS WERE REQUESTED.
20 JEFF WHITE OF THE LOAN PROGRAM WILL BE
21 VERY BRIEFLY SUMMARIZING FOR YOU WHAT THIS PROJECT IS,
22 AND THEN HE WILL BE REQUESTING THE PERMITTING AND
23 ENFORCEMENT STAFF TO PROVIDE YOU THE OUTCOME OF THEIR
24 INSPECTION.
25 CHAIRMAN PENNINGTON: VERY GOOD. THANK YOU.



1 MR. WHITE: GOOD AFTERNOON, MR. CHAIRMAN AND
2 OTHER MEMBERS OF THE BOARD. AS CAREN SAID, MY NAME IS
3 JEFF WHITE. I'M A LOAN OFFICER WITH THE PROGRAM. AND
4 I HAVE THE PLEASURE OF INTRODUCING LOAN NO. 97-170 TO
5 YOU. THE BORROWER IS KROEKER, INC., AND THE RECYCLING
6 MARKETING DEVELOPMENT ZONE THAT THE BORROWER IS LOCATED
7 IN IS FRESNO.
8 AND I'D LIKE TO NOTE FOR THE RECORD THAT
9 THIS IS THE FIRST LOAN REQUEST FROM THE FRESNO RMDZ
10 THAT WE HAVE BROUGHT TO THE BOARD, AND I'D LIKE TO
11 THANK MS. LESLIE CLINE, THE ZONE ADMINISTRATOR, FOR HER
12 ASSISTANCE IN THIS.
13 THE LOAN AMOUNT IS \$1 MILLION, AND THE
14 PURPOSE OF THE LOAN IS TO PURCHASE EQUIPMENT AND
15 PROVIDE WORKING CAPITAL. THE RATE IS 5.6 PERCENT
16 FIXED. THE TERM IS SEVEN YEARS FULLY AMORTIZED.
17 PAYMENT WILL BE ON A MONTHLY BASIS OF \$14,418 A MONTH.
18 THAT ANNUALIZES TO \$173,016 A YEAR. FOR SECURITY WE'LL
19 BE TAKING A FIRST LIEN ON EXISTING EQUIPMENT AND A
20 PURCHASE MONEY SECURITY INTEREST ON EQUIPMENT TO BE
21 PURCHASED IN THE FUTURE. WE'RE TAKING A SECOND DEED OF
22 TRUST ON COMMERCIAL PROPERTY THAT IS OWNED BY JOYCE AND
23 EDWIN KROEKER. GUARANTORS TO THE LOAN ARE JOYCE AND
24 EDWIN KROEKER AND THEIR SON JEFF KROEKER. ALSO, EDWIN
25 KROEKER, DOING BUSINESS AS KROEKER CUSTOM TRACTOR



1 SERVICES.
2 THE DIVERSION THAT WE'RE ANTICIPATING
3 FROM THIS WILL BE C&D MATERIAL, PRIMARILY WOODWASTE.
4 IN THE PAST THE BOARD HAS HAD A KEEN INTEREST IN HAVING
5 THE OPPORTUNITY TO PARTICIPATE IN PROJECTS INVOLVING
6 DIVERSION OF C&D MATERIAL. THIS PROJECT, WE
7 ANTICIPATE, WILL DIVERT 19,000 TONS BEGINNING IN THE
8 SECOND YEAR OF C&D MATERIAL. WE ANTICIPATE ALSO THAT
9 11 JOBS WILL BE CREATED AS A RESULT OF IT.
10 A LITTLE BACKGROUND ON THE COMPANY AND
11 THE ACTIVITY. THE COMPANY'S PRINCIPAL BUSINESS
12 ACTIVITY IS IN DECONSTRUCTION OF DEMOLITION IN THE
13 CENTRAL VALLEY. FOR EXAMPLE, THE COMPANY IS CURRENTLY
14 DECONSTRUCTING A 200-ACE CALCOTT COTTON STORAGE
15 FACILITY IN NORTHERN FRESNO COUNTY. TYPICALLY ALL C&D
16 MATERIALS THAT RESULT FROM THIS ACTIVITY ARE TRUCKED TO
17 AND DUMPED IN A LANDFILL. OUR PARTICIPATION IN THIS
18 PROJECT WILL ENABLE KROEKER TO DIVERT APPROXIMATELY 85
19 PERCENT OF THE C&D MATERIALS THAT WERE FORMERLY
20 DUMPED. FIFTY-FOUR AND A HALF PERCENT OF C&D MATERIAL
21 IS WOODWASTE. THIS DEBRIS ALSO CONTAINS RECYCLABLE
22 AMOUNTS OF SHEETROCK, BRICK, METALS, DIRT FINES, AND
23 PROCESSING SCRAP. THE PROJECT'S PRIMARY FOCUS IS
24 WOODWASTE.
25 THE COMPANY HAS DESIGNED AND DEVELOPED A



1 PROPRIETARY PROCESSING SYSTEM THAT WASHES, GRINDS, AND
2 SIZES THE WOODWASTE. TODAY THE SIZED PRODUCTS ARE SOLD
3 TO THE DAIRY INDUSTRY AND HORSE STABLES AS ANIMAL
4 BEDDING. IN ADDITION, THE COMPANY HAS RECEIVED STRONG
5 INTEREST FROM POTENTIAL BUYERS IN OTHER INDUSTRIES WHO
6 ARE WAITING FOR THE COMPANY TO MOVE INTO FULL
7 PRODUCTION BEFORE PLACING THEIR ORDERS. THIS INTEREST
8 IS FROM PARTICLE BOARD MANUFACTURERS, HYDROMULCH
9 PRODUCERS, AS WELL AS MIDDLEMEN WHO WILL MARKET THE
10 SIZED WOODWASTE FOR PLAYGROUND COVER AND EROSION
11 ELIMINATION. LOCAL COGEN PLANTS HAVE EXPRESSED
12 INTEREST IN PURCHASING KROEKER'S ENTIRE OUTPUT.
13 OUR PARTICIPATION IN THIS PROJECT WILL
14 INJECT WORKING CAPITAL AND ENABLE THE COMPANY TO
15 PURCHASE THE EQUIPMENT THAT WILL ALLOW IT TO HARVEST
16 THIS SALES POTENTIAL BY QUICKLY MOVING TO FULL
17 PRODUCTION.
18 THE BOARD'S LOAN COMMITTEE MET ON MARCH 5
19 AND APPROVED THE LOAN REQUEST WITH TWO MINOR
20 MODIFICATIONS. THE MARKET DEVELOPMENT COMMITTEE MET ON
21 THE SAME DATE, AND CAREN HAS HAD ALREADY EXPLAINED SOME
22 OF THE ACTIVITIES THAT RESULTED FROM THERE.
23 THE DIRECTIVE THAT THE MARKETING
24 DEVELOPMENT COMMITTEE GAVE US WAS FORMALIZED IN AGENDA
25 ITEM NO. 23 ON PAGE 23-1. SO I AM NOW OPEN FOR



1 QUESTIONS. AND IF THERE ARE NO QUESTIONS, I'D LIKE TO
2 INTRODUCE LLOYD DILLON OF OUR PERMITTING AND
3 ENFORCEMENT DIVISION.

4 BOARD MEMBER JONES: MR. CHAIRMAN, WHILE WE'RE
5 WAITING FOR LLOYD TO GET UP HERE, WHEN WE WENT ON THIS
6 TOUR -- AND I BRING THIS UP JUST TO GIVE ANOTHER
7 MESSAGE TO THE OPERATOR -- THE FIRST LOAD THAT CAME IN
8 WAS NOT A WOOD LOAD, WOULD NOT HAVE PASSED THE FIRST
9 PART OF THE TWO-PART TEST THAT THE DAY BEFORE THE
10 PERMITS COMMITTEES WORKED HARD ON ON TRYING TO DEVELOP
11 THE RULES FOR WHAT'S IN AND WHAT'S OUT, BUT THEY
12 ASSURED ME THAT IT WASN'T GOING TO HAPPEN ANYMORE. SO
13 I THINK THAT WE NEED TO MAKE SURE THAT IT DOESN'T
14 HAPPEN ANYMORE BECAUSE IT'S A GOOD LOOKING PROJECT, BUT
15 IT KIND OF BOTHERED ME WHEN THE FIRST LOAD -- WHEN I
16 STARTED PULLING PAINT CANS OUT OF THE LOAD AS WELL AS
17 OTHER THINGS THAT -- WE CAN'T HAVE THAT.

18 MR. DILLON: THANK YOU, SIR. THANK YOU, MR.
19 JONES, FOR GIVING MY PRESENTATION TWICE ALREADY.
20 CHAIRMAN, WE DID DO A JOINT INSPECTION WITH THE MARKETS
21 DIVISION THERE, AS REQUESTED BY THE MARKETS COMMITTEE
22 ON THE 20TH OF MARCH WITH MR. JONES LEADING THE WAY, AS
23 HE STATED EARLIER.
24 ORIGINALLY THE LEA HAD FOUND THE
25 OPERATION ADEQUATE AS A CHIPPING AND GRINDING



1 OPERATION, IN COMPLIANCE WITH THE STANDARDS THAT HAVE
2 BEEN SET FORWARD; THAT IS, VECTOR, ODOR, DUST, AND
3 OTHER NUISANCE CONTROLS, FIRE PREVENTION AND OTHER
4 CONTROLS IN PLACE, AND RECORDKEEPING.
5 AT THE SITE VISIT THIS TIME, WHICH WAS
6 SPECIFIC TO THE LANDFILLING COMPLAINT THAT WAS RECEIVED
7 AT THE COMMITTEE AT THE TIME, THE LEA HAD FOUND MORE
8 DIRT THAN MATERIAL PREVIOUSLY WAS PREVIOUSLY IN THE
9 MIXTURE, MORE DIRT THAN WOOD. THIS TIME THERE WAS MORE
10 WOOD THAN DIRT. AND THERE'S BEEN A CHANGE IN THE
11 DEMOLITION SOURCES THAT THEY'VE GOTTEN. AS A RESULT OF
12 THAT, THE LEA HAS COMMUNICATED TO THE OPERATOR TO CEASE
13 UTILIZING THE PIT, AS IT WAS CALLED, UNTIL THE
14 ADDITIONAL SCREENING EQUIPMENT, THE TRAMMELS AND
15 THINGS, ARE IN PLACE, PURCHASED AND IN PLACE, AND THE
16 OPERATOR HAS AGREED TO DO THAT.
17 AND IN RELATION TO WHAT MR. JONES JUST
18 SAID, THE OPERATOR -- THE LEA HAS ALSO REQUESTED A LOAD
19 INSPECTION PROGRAM BE INSTALLED, AND THE OPERATOR HAS
20 AGREED TO THAT TOO. SO RIGHT NOW, THEY'RE GOING TO BE
21 STOCKPILING THE MATERIAL SOMEPLACE ELSE AND NOT USING
22 THE PIT. THE LEA WILL BE ROUTINELY MONITORING THIS
23 OPERATION TO SEE THAT IT DOES COMPLY WITH THESE
24 STANDARDS AND WHAT'S HAPPENING.
25 THEY DO HAVE A LETTER -- THE OPERATION



1 DOES HAVE A LETTER FROM THE REGIONAL WATER QUALITY
2 CONTROL BOARD, CENTRAL VALLEY REGION, FRESNO OFFICE,
3 THAT THEY ARE AWARE OF THE OPERATION AND THEY HAVE NO
4 OBJECTION TO THE BACKFILLING OPERATION IN THE PIT AT
5 THIS TIME. AND THAT CONCLUDES OUR PORTION.

6 CHAIRMAN PENNINGTON: OKAY. ANY QUESTIONS OF
7 EITHER THE MARKETING STAFF OR THE P&E STAFF?

8 MS. TRGOVCICH: MR. CHAIRMAN, ALSO TO LET YOU
9 KNOW, RICHARD MCCANDLESS, THE OPERATOR, AS WELL AS
10 LESLIE CLINE, THE ZONE ADMINISTRATOR, ARE HERE IN THE
11 AUDIENCE AS WELL, AND THEY MAY GO INTO THE PLASTICS
12 BUSINESS YET.

13 CHAIRMAN PENNINGTON: IF THERE'S NO QUESTIONS,
14 I'LL CERTAINLY ENTERTAIN A MOTION.

15 BOARD MEMBER JONES: MR. CHAIRMAN, I'D LIKE TO
16 MOVE RESOLUTION NO. 98-38, CONSIDERATION OF APPROVAL OF
17 A RECYCLING MARKET DEVELOPMENT REVOLVING LOAN PROGRAM
18 APPLICATION FOR KROEKER, INC.

19 BOARD MEMBER CHESBRO: SECOND.

20 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN MOVED
21 BY MR. JONES AND SECONDED BY MR. CHESBRO THAT WE
22 APPROVE RESOLUTION 98-38. IF THERE'S NO FURTHER
23 DISCUSSION, WILL THE SECRETARY CALL THE ROLL.

24 THE SECRETARY: BOARD MEMBER AMODIO.

25 BOARD MEMBER AMODIO: ABSTAIN.



1 THE SECRETARY: CHESBRO.
2 BOARD MEMBER CHESBRO: AYE.
3 THE SECRETARY: EATON.
4 BOARD MEMBER EATON: AYE.
5 THE SECRETARY: FRAZEE.
6 BOARD MEMBER FRAZEE: AYE.
7 THE SECRETARY: JONES.
8 BOARD MEMBER JONES: AYE.
9 THE SECRETARY: CHAIRMAN PENNINGTON.
10 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.
11 NOW MOVE TO ITEM 31, CONSIDERATION OF A
12 NEW STANDARDIZED COMPOSTING PERMIT FOR THE CITY OF
13 CHICO LEAF COMPOSTING OPERATION IN BUTTE COUNTY.
14 MS. RICE: THANK YOU, MR. CHAIRMAN AND
15 MEMBERS. CHRISTINE MCCRACKEN WILL PRESENT THE ITEM,
16 ASSISTED BY CHARLES BIRD WITH THE LOCAL ENFORCEMENT
17 AGENCY.
18 MS. MCCRACKEN: GOOD AFTERNOON, MR. CHAIRMAN
19 AND MEMBERS OF THE BOARD. I'M CHRISTINE MCCRACKEN WITH
20 THE PERMITTING AND ENFORCEMENT BRANCH. THIS ITEM
21 BEFORE YOU IS FOR CONSIDERATION OF A STANDARDIZED
22 COMPOSTING PERMIT FOR THE CITY OF CHICO GREEN MATERIAL
23 COMPOSTING OPERATION.
24 AS A LITTLE BACKGROUND, WHEN A NEW
25 STANDARDIZED COMPOSTING PERMIT IS PROPOSED, THE BOARD



1 MUST EITHER CONCUR OR OBJECT TO THE PROPOSED PERMIT AS
2 SUBMITTED BY THE LEA WITHIN 30 DAYS. THIS PROPOSED
3 PERMIT WAS RECEIVED ON MARCH 2, 1998, AND STAFF WAS NOT
4 ABLE TO COMPLETE THE REVIEW OF THE APPLICATION PACKAGE
5 IN TIME TO WRITE A MORE DESCRIPTIVE AGENDA ITEM.
6 THE ISSUE OF PROCESSING A STANDARDIZED
7 PERMIT WITHIN 30 DAYS WAS RAISED AT THIS MONTH'S P&E
8 COMMITTEE MEETING. AT COMMITTEE'S DIRECTION, STAFF
9 WILL BE CONDUCTING WORKSHOPS TO GATHER COMMENTS
10 REGARDING THE REGULATORY TIER STRUCTURE AND THE
11 STANDARDIZED PERMIT IN PARTICULAR.
12 THE PROJECT APPLICANT, THE CITY OF CHICO,
13 PROPOSES AN EXPANSION OF AN EXISTING COMPOSTING
14 OPERATION NEAR THE CITY OF CHICO AIRPORT. THE PROJECT
15 INCLUDES INCREASING THE TONNAGE FROM 400 CUBIC YARDS
16 PER DAY TO 924 CUBIC YARDS PER DAY, INCREASE IN THE
17 HOURS OF OPERATION FROM A SEASONAL CITY OPERATION TO A
18 YEAR-ROUND OPERATION OPEN TO THE PUBLIC, AND AN
19 INCREASE IN THE ACREAGE FROM 6 TO 24 ACRES.
20 STAFF HAS FOUND THIS PROJECT IN
21 COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT
22 AND IN CONFORMANCE WITH BUTTE COUNTY'S INTEGRATED WASTE
23 MANAGEMENT PLAN. ADDITIONALLY, BOARD AND LEA STAFF
24 CONDUCTED A PREPERMIT INSPECTION AND FOUND ONE AREA OF
25 CONCERN WITH TITLE 14, SECTION 17866, GENERAL DESIGN



1 REQUIREMENTS, DUE TO STANDING WATER IN ONE SECTION OF
2 THE PERIMETER DRAIN.
3 MR. CHARLIE BIRD, THE LEA, FOLLOWED UP ON
4 THIS ISSUE YESTERDAY AND HAS INFORMED STAFF THIS HAS
5 BEEN CORRECTED.
6 I WANT TO POINT OUT ONE ADDITIONAL ITEM.
7 THE TITLES OF THE AGENDA ITEM AND THE RESOLUTION DO NOT
8 MATCH. THIS IS BECAUSE THE AGENDA ITEM WAS WRITTEN
9 WHEN THE PACKAGE WAS RECEIVED, AND THE LEA USED THE
10 NAME BY WHICH THE OPERATION HAS TRADITIONALLY BEEN
11 KNOWN WHEN HE COMPLETED THE PROPOSED PERMIT. WHEN
12 STAFF MET WITH THE PROJECT APPLICANT AND THE LEA
13 RECENTLY, THE CITY OF CHICO INDICATED THEY WANTED THE
14 FACILITY NAME TO REFLECT THE TRUE SCOPE OF THE
15 ACTIVITIES AND BE CONSISTENT WITH THE LANGUAGE IN THE
16 REGULATIONS. THE NAME INDICATED ON THE RESOLUTION IS
17 THE CORRECT NAME OF THE OPERATION AND IS THE NAME THAT
18 WILL BE REFLECTED ON THE PERMIT.
19 IN CONCLUSION, STAFF IS RECOMMENDING THE
20 BOARD CONCUR IN THE ISSUANCE OF THE NEW STANDARDIZED
21 PERMIT FOR THE CITY OF CHICO GREEN MATERIAL COMPOSTING
22 OPERATION, RESOLUTION NO. 98-109. MR. CHARLIE BIRD,
23 THE LEA, MS. LINDA HERMAN WITH THE CITY OF CHICO, THE
24 APPLICANT, AND DALE LANGBERG, REPRESENTING THE CONTRACT
25 OPERATOR, NORTH VALLEY RECYCLING, ARE ALL PRESENT IF



1 YOU HAVE ANY QUESTIONS.

2 CHAIRMAN PENNINGTON: QUESTIONS OF ANYBODY?

3 OKAY. I'LL ENTERTAIN A MOTION.

4 BOARD MEMBER FRAZEE: MR. CHAIRMAN, I'LL MOVE

5 ADOPTION OF RESOLUTION 98-109.

6 BOARD MEMBER EATON: I'LL SECOND.

7 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN MOVED

8 BY MR. FRAZEE TO ADOPT RESOLUTION 98-109 AND SECONDED

9 BY MR. EATON. IF THERE'S NO FURTHER DISCUSSION, WILL

10 THE SECRETARY CALL THE ROLL.

11 THE SECRETARY: BOARD MEMBER AMODIO.

12 BOARD MEMBER AMODIO: ABSTAIN.

13 THE SECRETARY: CHESBRO.

14 BOARD MEMBER CHESBRO: AYE.

15 THE SECRETARY: EATON.

16 BOARD MEMBER EATON: AYE.

17 THE SECRETARY: FRAZEE.

18 BOARD MEMBER FRAZEE: AYE.

19 THE SECRETARY: JONES.

20 BOARD MEMBER JONES: AYE.

21 THE SECRETARY: CHAIRMAN PENNINGTON.

22 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.

23 OKAY. I INADVERTENTLY SLIPPED OVER ITEM

24 30, CONSIDERATION - - YOU ALL THOUGHT YOU WERE GOING TO

25 GET AWAY WITH IT -- CONSIDERATION OF THE STATUS OF AND



1 THE REVISIONS TO THE OXFORD TIRE RECYCLING INC. MAJOR
2 WASTE TIRE FACILITY PERMIT, STANISLAUS COUNTY. DOROTHY
3 RICE.

4 MS. RICE: I THOUGHT WHEN YOU SKIPPED OVER, I
5 DIDN'T NEED TO DO THIS ONE TODAY.

6 CHAIRMAN PENNINGTON: BUT WE KNOW WHAT A
7 FAVORITE IT IS OF YOURS.

8 MS. RICE: WHILE THE ITEM IS LISTED ON YOUR
9 AGENDA AS A CONSIDERATION ITEM, I'M SURE YOU'VE NOTED
10 FROM THE ACTION OF THE COMMITTEE AND THE ACTUAL TEXT IN
11 THE ITEM THAT THIS IS ESSENTIALLY AN INFORMATIONAL ITEM
12 AS STAFF ARE PRESENTING IT TODAY. NO ACTION IS
13 PROPOSED BY STAFF IN THE ITEM, NOR WAS ANY ACTION
14 RECOMMENDED BY THE COMMITTEE ON HEARING IT LAST WEEK.
15 I'LL BE VERY BRIEF. AS YOU RECALL, AT
16 THE FEBRUARY BOARD MEETING, STAFF PRESENTED AN UPDATE
17 ON THE MODESTO ENERGY LIMITED PARTNERSHIP/INTEGRATED
18 WASTE MANAGEMENT BOARD TIRE PILE REMEDIATION AGREEMENT,
19 THE MELP/BOARD AGREEMENT. AT THAT TIME STAFF REPORTED
20 THAT UNDER THAT AGREEMENT MELP IS ON OR AHEAD OF
21 SCHEDULE FOR INCINERATING 40,000 TONS OF WASTE TIRES
22 FROM THE OTR STOCKPILE.
23 AT THAT TIME STAFF ALSO REPORTED
24 INFORMATION REGARDING THEIR SURVEY EFFORTS OF THE PILE,
25 WHICH WERE DONE IN THE COURSE OF ADMINISTERING THAT



1 AGREEMENT, AND THAT THAT SURVEY INFORMATION HAD
2 INDICATED THAT REMAINING TIRES AT OXFORD ARE
3 SIGNIFICANTLY LARGER THAN ORIGINALLY ESTIMATED AT THE
4 TIME WHEN THE BOARD WAS ISSUING A PERMIT FOR THIS
5 FACILITY.
6 SUBSEQUENT TO THAT STAFF REPORT, IN THE
7 BOARD DISCUSSION, THE BOARD DIRECTED THAT STAFF TO
8 PREPARE AN ITEM FOR THIS BOARD MEETING TODAY,
9 RECOMMENDING ACTIONS OR BRINGING INFORMATION FORWARD
10 REGARDING OXFORD'S MAJOR WASTE TIRE FACILITY PERMIT AND
11 THE OXFORD/WASTE BOARD TIRE PILE REMEDIATION
12 AGREEMENT. THIS AGENDA ITEM BEFORE YOU TODAY PROVIDES
13 INFORMATION ON STAFF'S EFFORTS TO IMPLEMENT THE
14 OXFORD/WASTE BOARD AGREEMENT AND TO ENSURE COMPLIANCE
15 WITH THE OXFORD WASTE TIRE FACILITY PERMIT.
16 AS I MENTIONED, THE INFORMATION IN THE
17 ITEM IS ESSENTIALLY INFORMATIONAL ONLY AND REQUIRES NO
18 COMMITTEE OR BOARD ACTION AT THIS TIME.
19 AS A RESULT OF THE NEW INFORMATION
20 OBTAINED BY STAFF IN THE COURSE OF ADMINISTERING THE
21 MELP/WASTE BOARD AGREEMENT, STAFF HAD DETERMINED, AS
22 REPORTED TO COMMITTEE LAST WEEK, THAT OXFORD IS NOT IN
23 COMPLIANCE WITH THE MAXIMUM QUANTITY OF TIRES ALLOWED
24 UNDER ITS CURRENT PERMIT. NO. 2, THAT OXFORD DOES NOT
25 HAVE AN ACCEPTABLE CLOSURE PLAN IN PLACE AT THIS TIME



1 AND CLOSURE COST ESTIMATES THAT ADDRESS THE
2 SIGNIFICANTLY LARGER STOCKPILE THAT OUR SURVEY
3 INDICATED WAS PRESENT. THIRD, THAT THE FINANCIAL
4 ASSURANCE DEMONSTRATION FOR OXFORD MAY NO LONGER BE
5 ADEQUATE TO BRING ABOUT CLOSURE OF THE FACILITY, ALSO
6 DUE TO THE SIGNIFICANTLY LARGER STOCKPILE AS ESTIMATED
7 BY STAFF. AND LASTLY, THAT A NUMBER OF THE PERMIT
8 TERMS AS NEGOTIATED IN THE ORIGINAL PERMIT FOR OXFORD
9 ARE NO LONGER APPLICABLE DUE TO REMEDIATION AND OTHER
10 ACTIVITIES THAT HAVE OCCURRED AT THE FACILITY SINCE
11 THAT PERMIT WAS ISSUED SOME TIME AGO.
12 IN RESPONSE TO THESE CONCERNS THAT I'VE
13 JUST ENUMERATED, BOARD STAFF IS ISSUING A CLEANUP AND
• 14 ABATEMENT ORDER WHICH WILL REQUIRE OXFORD TO SUBMIT A
15 REVISED CLOSURE PLAN AND CLOSURE COST ESTIMATE AND A
16 SCHEDULE TO REMOVE THE REMAINING WASTE TIRES ON THE
17 SITE WITHIN 14 MONTHS IN ACCORDANCE WITH THE EXISTING
18 OXFORD/WASTE BOARD AGREEMENT. THIS ENFORCEMENT ORDER
19 IS DRAFTED AND IS CURRENTLY BEING REVIEWED BY OUR LEGAL
20 OFFICE AND THE EXECUTIVE OFFICE AND WILL BE ISSUED AS
21 SOON AS THAT REVIEW IS COMPLETE.
22 I DO HAVE STAFF PRESENT IN THE AUDIENCE
23 SHOULD YOU WISH TO ASK ANY QUESTIONS OR WANT ANY MORE
24 INFORMATION REGARDING THE PERMIT, FINANCIAL ASSURANCES,
25 THE SIZE OF THE TIRE PILE, WHATEVER IT MIGHT BE. AND



1 THAT CONCLUDES MY PRESENTATION.

2 CHAIRMAN PENNINGTON: MR. JONES.

3 BOARD MEMBER JONES: I ONLY HAVE ONE QUESTION
4 THAT MICHAEL BRYNE KNOWS THAT I'M GOING TO ASK. MR.
5 BYRNE.

6 MR. BYRNE: THE INSURANCE -- THE INSURER HAS
7 CONTACTED US AND HAS INFORMED US THAT THE POLICY WILL
8 BE RENEWED, BUT NOT FOR ONE YEAR. THE POLICY IS GOING
9 TO BE RENEWED FOR THE REMAINING 14 MONTHS.

10 BOARD MEMBER JONES: AND THEN STILL HAS A
11 FOUR-MONTH -- STANDARDIZED THAT IF WE WERE TO TAKE --
12 WHATEVER. MICHAEL, I'M HAPPY. SEND US A LETTER. WANT
13 A COOKIE?

14 CHAIRMAN PENNINGTON: ANY OTHER QUESTIONS OF
15 STAFF?

16 I HAVE A QUESTION. WHEN YOU GO DOWN I-S
17 AND YOU LOOK AT THE INGRAM INDIAN CREEK TRUCK STOP
18 THERE, THERE IS A LOT OF TIRES STACKED UP AROUND THAT.
19 AND I'M WONDERING IF THEY'RE WITHIN A PERMIT OF OXFORD,
20 AND WHAT IS THE STATUS OF THOSE TIRES?

21 MR. BRYNE: THAT WAS THE OMEGA FACILITY, AND
22 OMEGA, I GUESS, HAD AN EXCLUSION TO OPERATE BECAUSE IT
23 WAS A USED TIRE RESALE FACILITY. WE'VE RECENTLY MOVED
24 THOSE OPERATIONS FROM THAT LOCATION TO GILROY, AND ALL
25 USED TIRES ARE GOING TO GILROY. WHAT WE DID IS WE CAME



1 IN AND WE MADE A FIRST BLUSH EFFORT TO SELL THE TIRES
2 FOR THE WHOLESALE ASKING PRICE WE WERE ASKING AT THAT
3 TIME, AND WE MOVED QUITE A FEW OF THEM OFF THE
4 FACILITY. NOW WE'VE DISCOUNTED THAT, AND I THINK WE'RE
5 ALMOST TO THE POINT OF SAYING, OKAY, IF YOU WANT THEM,
6 COME ON IN AND GET THEM. AFTER THAT, WE'RE GOING TO
7 TRANSPORT THOSE TIRES UP TO THE LANDFILL TO BE
8 SHREDDED.

9 CHAIRMAN PENNINGTON: SO YOU'VE MOVED SOME TO
10 GILROY?

11 MR. BYRNE: NO. WE'RE MOVING ALL -- IN THE
12 TIRE RECYCLING BUSINESS, THERE'S A CERTAIN PERCENTAGE
13 OF TIRES THAT ARE RESELLABLE. AND THOSE RESELLABLE
14 TIRES WERE GOING TO OUR FACILITY THERE CALLED OMEGA
15 TIRES, A SEPARATE COMPANY. AND THAT WHOLE OPERATION
16 HAS BEEN MOVED TO GILROY. SO THIS -- SO THERE'S NO
17 MORE TIRES GOING INTO THAT FACILITY THERE, AND WE'RE
18 TRYING TO SELL THEM OFF. AND WHEN WE FIND WE CAN'T
19 SELL THEM ANYMORE, WE'RE GOING TO TAKE THEM UP AND
20 SHRED THEM. THE PROBLEM TIRES WE HAVE ARE THE 15S AND
21 SOME OF THE LESS DESIRABLE TIRES.

22 CHAIRMAN PENNINGTON: HOW LONG DO YOU THINK IT
23 WILL BE BEFORE I CAN DRIVE DOWN 1-5?

24 MR. BYRNE: IF YOU GIVE ME THE DATE, I'LL HAVE
25 IT CLEANED UP. THIRTY DAYS.



1 CHAIRMAN PENNINGTON: HOW ABOUT FRIDAY?

2 BOARD MEMBER JONES: WHEN DO THE REGS KICK IN?

3 MR. BYRNE: THIRTY DAYS. WE CAN GET THEM OUT
4 OF THERE IN 30 DAYS.

5 MS. RICE: AS MR. JONES, I'M SURE, WAS
6 REFERRING TO, THIS IS ONE OF THE EXCLUSIONS THAT IS
7 AFFECTED BY THE EMERGENCY REGS THAT YOU APPROVED, I
8 BELIEVE, AT YOUR JANUARY MEETING.

9 CHAIRMAN PENNINGTON: OKAY. ANY ADDITIONAL
10 QUESTIONS ON ITEM 30? IF NOT, WE'LL MOVE TO ITEM 33.
11 THANK YOU, MS. RICE. PRESENTATION OF WASTE TIRE
12 ENFORCEMENT ACTIONS TAKEN DURING THE 1997 CALENDAR
13 YEAR.

14 MS. RICE: THANK YOU, MR. CHAIRMAN AND
15 MEMBERS. THIS IS AN INFORMATIONAL PRESENTATION THAT
16 WILL BE MADE BY KEITH CAMBRIDGE OF DIVISION TIRE
17 ENFORCEMENT STAFF. WE'RE BRINGING THIS FORWARD AT THE
18 REQUEST OF THE PERMITTING AND ENFORCEMENT COMMITTEE.
19 IT WAS AN INFORMATIONAL ITEM, I BELIEVE, AT LAST
20 MONTH'S COMMITTEE AND CONTAINED INFORMATION THAT
21 MEMBERS FELT WOULD BE OF INTEREST TO THE FULL CALENDAR,
22 THUS WE CALENDARED IT FOR THIS MEETING.

23 MR. CAMBRIDGE: GOOD AFTERNOON, MR. CHAIRMAN,
24 MEMBERS OF THE BOARD. MY NAME IS KEITH CAMBRIDGE OF
25 THE FACILITY OPERATIONS BRANCH, WASTE TIRE SECTION.



1 TODAY I'D LIKE TO PRESENT INFORMATION ON ENFORCEMENT
2 ACTIONS TAKEN DURING THE 1997 CALENDAR YEAR.
3 BEFORE I DO SUCH, I'D LIKE TO GO OVER
4 WASTE TIRE ENFORCEMENT PROCEDURES UTILIZED BY STAFF IN
5 WASTE TIRE ENFORCEMENT ISSUES. WHEN A COMPLAINT IS
6 RECEIVED, STAFF WILL CONDUCT AN INVESTIGATION OR
7 INSPECTION OF THE SITE. IF FOUND IN VIOLATION OF THE
8 WASTE TIRE STANDARDS, A LETTER OF VIOLATION IS ISSUED
9 TO THE OWNER-OPERATOR ADVISING THEM OF THE OUTSTANDING
10 VIOLATIONS AND REQUIRING A CORRECTIVE ACTION PLAN
11 WITHIN FOUR TO SIX WEEKS. IF A PLAN IS NOT RECEIVED
12 AFTER THE LETTER OF VIOLATION DEADLINE, A WARNING
13 LETTER WILL BE SENT OUT ALLOWING AN ADDITIONAL THREE
14 WEEKS FOR THE OWNER-OPERATOR TO SUBMIT A PLAN. IF A
15 PLAN STILL HAS NOT BEEN SUBMITTED AT THIS TIME OR A
16 COMPLIANCE OF A SUBMITTED CLEANUP PLAN HAS NOT BEEN
17 OBTAINED, A CLEANUP AND ABATEMENT ORDER WILL BE ISSUED
18 TO THE OWNER-OPERATOR OF THE SITE SITING THE
19 OUTSTANDING VIOLATIONS, ESTABLISHING A WASTE TIRE
20 REMOVAL SCHEDULE, AND, LASTLY, LIST PUNITIVE ACTIONS
21 WHICH MAY RESULT IF THIS ORDER IS NOT COMPLIED WITH.
22 IF COMPLIANCE HAS NOT BEEN MET AFTER THIS
23 CLEANUP AND ABATEMENT ORDER HAS BEEN ISSUED, THE
24 FACILITY OPERATIONS BRANCH AND LEGAL OFFICE MAY
25 DETERMINE THAT FURTHER LEGAL ACTION IS NECESSARY BY WAY



1 OF ADMINISTRATIVE SANCTIONS THROUGH THE OFFICE OF
2 ADMINISTRATIVE HEARINGS. TYPICALLY, A \$2 PER PASSENGER
3 TIRE, \$5 PER TRUCK TIRE PENALTY IS REQUESTED IN AN
4 EFFORT TO COVER COSTS SHOULD BOARD REMEDIATION BE
5 NECESSARY. OCCASIONALLY RESPONSIBLE PARTIES MAY BE
6 REFERRED TO LOCAL PROSECUTORIAL AGENCIES FOR CRIMINAL
7 PROSECUTION.
8 TO DATE TWO INSPECTORS HAVE CONDUCTED 285
9 WASTE TIRE INSPECTIONS. OF THIS NUMBER, 192
10 OWNER-OPERATORS HAVE EITHER REMOVED THE WASTE TIRES
11 FROM THEIR SITES OR OBTAINED COMPLIANCE WITH THE WASTE
12 TIRE PERMITTING REQUIREMENTS. NINETY-THREE ARE STILL
13 IN THE CURRENT ENFORCEMENT LOOP. DURING THE SAME TIME
14 PERIOD MORE THAN 3.1 MILLION WASTE TIRES HAVE BEEN
15 REMOVED DUE TO DIRECT ENFORCEMENT ACTIONS TAKEN TO THE
16 RESPONSIBLE PARTIES; IN OTHER WORDS, NO BOARD MONIES
17 WERE SPENT FOR THESE CLEANUPS.
18 IN THE 1997 CALENDAR YEAR, 53 CLEANUP AND
19 ABATEMENT ORDERS WERE ISSUED, 28 ADMINISTRATIVE
20 COMPLAINTS WERE REFERRED, SEVEN CRIMINAL COMPLAINTS
21 WERE REFERRED TO LOCAL PROSECUTORIAL AGENCIES, ONE
22 INSPECTION WARRANT WAS SERVED, AND ONE INJUNCTION TO
23 OBTAIN PROPERTY ACCESS FOR REMEDIATION EFFORTS FOR
24 CIWMB WAS OBTAINED. IN ADDITION, \$217,000 IN PENALTIES
25 WERE ASSESSED.



1 ATTACHED IN THE AGENDA PACKAGE AS
2 ATTACHMENT 2 IS AN UPDATED ENFORCEMENT LOG WHICH GIVES
3 A BREAKDOWN OF THE TOTAL ENFORCEMENT ACTIONS TAKEN BY
4 STAFF TO DATE AND A BREAKDOWN OF EACH YEAR SINCE THE
5 PROGRAM'S INCEPTION.
6 I'D NOW LIKE TO TAKE A FEW MOMENTS TO GO
7 OVER SOME ENFORCEMENT ISSUES -- ENFORCEMENT CASES WHICH
8 HAVE SHOWN A DIRECT RELATIONSHIP BETWEEN A POSITIVE
9 ENFORCEMENT PROGRAM AND THE REMEDIATION OF A PUBLIC
10 HEALTH THREAT, AS LIKE THE ONE THE BOARD BECAME
11 FAMILIAR WITH IN MAY 1996 CONCERNING THE CHOPPERENA
12 TIRE FIRE WHERE BOARD AND UNITED STATES ENVIRONMENTAL
13 PROTECTION AGENCY MONIES NEARED THE \$1 MILLION MARK TO
14 REMEDIATE HAZARDOUS CONDITIONS DURING AND AFTER THE
15 TIRE FIRE.
16 ALL OF THESE SITES WHICH I'LL BE
17 PRESENTING TO YOU NO LONGER CONTAIN WASTE TIRES. THE
18 FIRST SITE I'D LIKE TO INTRODUCE YOU TO IS WHAT WE CALL
19 THE CEN CAL MORGAN HILL SITE. THIS SITE IS ONE OF FIVE
20 CEN CAL SITES KNOWN TO BOARD STAFF AND IS UTILIZED FOR
21 THE STORAGE OF WASTE TIRES PRIOR TO THE SHREDDING AND
22 CRUMBING OPERATION FOR THE COMPANY. THIS SITE
23 CONTAINED ABOUT 250,000 WASTE TIRES AND TIRE
24 EQUIVALENTS AND WAS INTRODUCED TO STAFF AT THE
25 BEGINNING OF THE WASTE TIRE ENFORCEMENT PROGRAM. STAFF



1 WAS INSTRUMENTAL IN ASSISTING AND TESTIFYING IN COURT
2 FOR THE CITY ATTORNEY'S OFFICE OF MORGAN HILL IN AN
3 ATTEMPT TO REMEDIATE THE SITE. THE OPERATOR FAILED TO
4 REMOVE THE TIRES IN A TIMELY MANNER AND WAS SENTENCED
5 TO 90 DAYS IN JAIL. FOLLOWING HIS JAIL TERM, THE
6 OPERATOR QUICKLY REMOVED THE TIRES.
7 FOLLOWING THE MORGAN HILL SITE, BOARD
8 STAFF BECAME FAMILIAR WITH FOUR OTHER CEN CAL SITES.
9 THIS IS CEN CAL GILROY, CEN CAL POTTER RANCH ROAD, CEN
10 CAL BLANCO ROAD, AND CEN CAL CHITTENDEN PASS ROAD,
11 WHICH IN TOTAL COMPRISED MORE THAN 450,000 ADDITIONAL
12 WASTE TIRES. AFTER THE OPERATOR DETERMINED THAT IT WAS
13 NOT COST-EFFECTIVE TO OPERATE HIS CRUMB RUBBER
14 BUSINESS, HE DECIDED TO CLOSE THE BUSINESS. STAFF TOOK
15 SWIFT ENFORCEMENT ACTION AGAINST THE OPERATOR TO
16 REMEDIATE THESE SITES.
17 THIS IS THE SITE OF MERCURY RUBBER WHICH
18 IS NOW BEING SHOWN WAS LOCATED IN CORONA, CALIFORNIA.
19 THIS SITE CONTAINED MORE THAN ONE MILLION WASTE TIRE
20 AND TIRE EQUIVALENTS. THE OPERATOR FAILED TO REMOVE
21 THE WASTE TIRES FROM THE SITE AS REQUIRED BY BOARD
22 ORDER, THEN ABANDONED THE SITE IN NOVEMBER 1996,
23 LEAVING THE SITE TO BE CLEANED BY THE PROPERTY OWNER.
24 ADMINISTRATIVE HEARING WAS HELD IN THE LATTER PART OF
25 1997 AGAINST THE OPERATOR AND A \$75,000 PENALTY WAS



1 ASSESSED.

2 THIS SITE IS OF THE MISSION AVENUE WASTE
3 TIRE SITE LOCATED IN ONTARIO, CALIFORNIA, WITHIN TWO
4 MILES OF THE ONTARIO INTERNATIONAL AIRPORT. THE SITE
5 CONTAINED MORE THAN 200,000 WASTE TIRE AND TIRE
6 EQUIVALENTS. THIS SITE WAS OWNED AND OPERATED BY A
7 GENTLEMAN WHO DECIDED TO STORE THE WASTE TIRES OVER THE
8 PAST SEVERAL YEARS WHEN HE LEARNED OF PLANS FOR THE
9 CONSTRUCTION OF A COGENERATION PLANT IN RIALTO,
10 CALIFORNIA. HE FELT THAT HE COULD SELL THESE TIRES AS
11 FUEL; HOWEVER, THIS DID NOT COME TO PASS AND HE WAS
12 REQUIRED TO MOVE THE TIRES.

13 IN THESE NEXT FIVE PICTURES I'M GOING TO
14 SHOW YOU, THEY'RE LOCATED IN FRESNO COUNTY. FANCHER
15 ROAD, WEST FLORAL, SOUTH FRUIT, EAST FOUNTAIN NO. 1,
16 AND EAST FOUNTAIN NO. 2. THIS IS -- THESE SITES ARE A
17 MOTHER AND SON TIRE DEALERSHIP WAS REQUIRED TO REMOVE
18 50,000 WASTE TIRES FROM THEIR ORIGINAL TIRE SHOP IN
19 FRESNO CITY. THEY PLACED THESE TIRES AT THE FIVE TIRE
20 SITES IN AN ATTEMPT TO SATISFY THE CITY CODE
21 ENFORCEMENT, BUT THESE TIRE SITES THEN VIOLATED OUR
22 WASTE TIRE STATUTES. STAFF INITIATED ENFORCEMENT
23 ACTION AGAINST BOTH THE MOTHER AND THE SON. THE SON
24 LEFT TOWN. THE MOTHER WAS ARRESTED FOR VIOLATIONS OF
25 THE WASTE TIRE STATUTE. AFTER SPENDING A FEW NIGHTS IN



1 JAIL, SHE QUICKLY AGAIN FOUND THE MEANS TO HAVE THESE
2 TIRES REMOVED FROM THE FIVE SITES AND PROPERLY DISPOSED
3 OF THEM. FOLLOWING THE CLEANUP OF THESE TIRES, THE
4 MOTHER WAS SUBSEQUENTLY CONVICTED AND REQUIRED TO PAY A
5 \$1,000 FINE, SERVE TWO YEARS PROBATION, AND BEST PART
6 OF ALL, PAY \$1965 IN RESTITUTION TO THE BOARD FOR ITS
7 COST IN THE INVESTIGATION. THE OUTSTANDING WARRANT IS
8 STILL OUT FOR THE SON.

9 THIS SITE IS OF THE MANCHESTER WASTE TIRE
10 SITE LOCATED IN LOS ANGELES, CALIFORNIA. THIS SITE
11 CONTAINED MORE THAN 100,000 WASTE TIRES AND TIRE
12 EQUIVALENTS. THE SITE OPERATOR ABANDONED THE SITE, AND
13 THE PROPERTY OWNER UNDER ORDERS BY THE BOARD
14 SUBSEQUENTLY CLEANED THESE SITES UP.

15 THIS SLIDE IS OF BUZZARD ROOST LOCATED IN
16 POTRERO, CALIFORNIA, A FEW MILES NORTH OF THE MEXICAN
17 BORDER. THIS SITE CONTAINED MORE TO 250,000 WASTE
18 TIRES AND TIRE EQUIVALENTS. THE OWNER-OPERATOR
19 UTILIZED THIS SITE FOR THE STORAGE OF WASTE TIRES FROM
20 ITS VARIOUS TIRE DEALERSHIPS THROUGH THE SAN DIEGO
21 AREA. WHEN ACTIVELY PURSUED BY BOARD STAFF IN THE SAN
22 DIEGO DISTRICT ATTORNEY'S OFFICE AND UPON BEING JAILED
23 ON TWO SEPARATE OCCASIONS FOR THIS WASTE TIRE SITE, THE
24 OWNER-OPERATOR QUIT-CLAIMED THE PROPERTY TO OTHER
25 PARTIES. A FURTHER ENGINEERING SURVEY CONDUCTED BY THE



1 COUNTY DETERMINED THAT THE TIRES HAD ACTUALLY BEEN
2 PLACED ON TWO OTHER PROPERTIES UNKNOWINGLY. ONE OF
3 THESE PROPERTY OWNERS WHO CAME TO THE BOARD SEEKING
4 FINANCIAL ASSURANCE EVENTUALLY CLEANED UP THE TIRE
5 SITE, UTILIZING THE ZONE MONIES.
6 IN THE NEXT FEW SLIDES, THERE ARE
7 BASICALLY THREE OF THE SITES IN SAN BERNARDINO COUNTY.
8 IN THIS FIRST SITE, SUNSET AVENUE WASTE TIRE SITE, THE
9 BOARD EXPENDED MONIES TO CLEAN UP THE SITE WHICH
10 CONSISTED OF ABOUT 150,000 WASTE TIRE AND TIRE
11 EQUIVALENTS. THE HAULER BROUGHT TIRES TO THE SITE
12 PRIOR TO THE WASTE TIRE STATUTES, THEREFORE CRIMINAL
13 SANCTIONS COULD NOT BE SOUGHT. STAFF THEN BECAME AWARE
14 OF A SECOND SITE, THE OLD WOMAN SPRING ROAD SITE, WHICH
15 CONSISTED OF APPROXIMATELY 10,000 WASTE TIRES. STAFF
16 FILED CRIMINAL CHARGES AGAINST THE HAULER, WHO WAS
17 SUBSEQUENTLY FINED \$3600 AND SENTENCED TO THREE
18 YEARS PROBATION. THE PROPERTY OWNER OF THE SECOND SITE
19 REMOVED THESE TIRES.
20 FINALLY, IN THE THIRD SLIDE STAFF
21 DISCOVERED THIS THIRD SITE AND DETERMINED THE SAME
22 HAULER WAS NOW STORING TIRES AT A NEW LOCATION. STAFF
23 SOUGHT THE ASSISTANCE OF THE SAN BERNARDINO COUNTY
24 DISTRICT ATTORNEY'S OFFICE, WHO WENT BACK TO COURT TO
25 FILE A REVOCATION OF PROBATION ON THE ORIGINAL



1 CONVICTION. THE JUDGE FOUND ON BEHALF OF THE STATE AND
2 SENTENCED THE HAULER TO 30 DAYS IN COUNTY JAIL. THIS
3 SITE WAS THEN SUBSEQUENTLY CLEANED.
4 AND LASTLY, THIS IS A SITE LOCATED AT
5 FINE AND SONS AUTO WRECKERS, A SITE LOCATED UP IN
6 JACKSON, CALIFORNIA. BOARD MEMBERS ARE FAMILIAR WITH
7 THIS SITE AS BOARD CLOSURE AND REMEDIATION STAFF
8 PRESENTED THE SITE IN THE FALL OF 1997 FOR THE TIRE
9 REMEDIATION MONIES. STAFF IS HAPPY TO REPORT TOO THAT
10 THE OPERATOR OF THIS SITE HAS SINCE REMOVED THE TIRES
11 WITHOUT NEED FOR STATE MONIES. BOTH THE PROPERTY OWNER
12 AND OPERATOR WERE ASSESSED ADMINISTRATIVE PENALTY OF
13 \$9,000 EACH IN ADDITION.
14 ADDITIONALLY, THE PROPERTY OWNER HAD
15 ACCEPTED AN ADDITIONAL 100 TRUCK TIRES DURING THIS
16 CLEANUP PROCESS FROM ANOTHER HAULER FOR A FEE,
17 EXPECTING THE ORIGINAL HAULER TO REMOVE THESE TIRES AS
18 WELL. STAFF INVESTIGATED THIS CASE AT THE REQUEST OF
19 THAT ORIGINAL HAULER, FILED CRIMINAL CHARGES WITH THE
20 AMADOR COUNTY DISTRICT ATTORNEY'S OFFICE, AND AGAINST
21 THE SECOND HAULER AND THE PROPERTY OWNER. THE PROPERTY
22 OWNER PLED GUILTY TO ONE COUNT OF ACCEPTING TIRES, PAID
23 A FINE, AND WAS SENTENCED TO THREE YEARS PROBATION.
24 AGAIN, ARREST WARRANT WAS ISSUED AGAINST THE SECOND
25 HAULER.



1 THESE ARE JUST A FEW OF THE WASTE TIRE
2 SITES THAT WE'VE INVESTIGATED BY TIRE STAFF. IT'S THE
3 INTENT OF PERMITTING AND ENFORCEMENT DIVISION TO APPEAR
4 AT THE -- TO APPRISE THE BOARD MEMBERS ON A YEARLY
5 BASIS OF THE PAST ENFORCEMENT ACTIONS. DURING THIS --
6 THIS CONCLUDES MY PRESENTATION OF THE ENFORCEMENT
7 ACTIONS TAKEN DURING THE CALENDAR 1997. ARE THERE ANY
8 QUESTIONS?

9 CHAIRMAN PENNINGTON: THANK YOU. ANY
10 QUESTIONS OF STAFF ON THIS?

11 BOARD MEMBER JONES: JUST ONE QUICK COMMENT.
12 WE GOT THIS PRESENTATION AT THE P&E COMMITTEE, AND I
13 DON'T THINK YOU COULD MAKE IT AT THAT MONTH'S BOARD
14 MEETING OR WE HAD A REALLY BUSY AGENDA. I DON'T
15 REMEMBER WHAT IT WAS. BUT THE DOLLARS THAT YOUR
16 PROGRAM HAS SAVED THIS STATE, I THINK, WAS PHENOMENAL,
17 AND YOU GUYS ARE DOING A GOOD JOB WITH LIMITED
18 MANPOWER. JUST GOT TO KEEP IT UP.

19 BOARD MEMBER CHESBRO: ALSO LIKE TO PAY
20 COMPLIMENTS TO THE IMPROVING TECHNOLOGY IN TERMS OF
21 PRESENTATIONS. PICTURE SPEAKS A THOUSAND WORDS, PLUS
22 THE USE OF THE POWER POINT. I WANT TO ENCOURAGE THAT
23 BECAUSE NOT EVERYBODY IS USING IT YET, BUT HOPEFULLY
24 SOME PEOPLE ARE LISTENING. IT REALLY, REALLY HELPS.

25 MR. CAMBRIDGE: I'D ACTUALLY LIKE TO SEE IT IN



1 FRONT OF THE PODIUM HERE.

2 BOARD MEMBER CHESBRO: LOOKS GOOD THOUGH.

3 BOARD MEMBER JONES: HOW MUCH DID YOU SAVE US,

4 \$3 AND A HALF MILLION? WE SHOULD PROBABLY LISTEN TO

5 MOVING IT UP THERE.

6 CHAIRMAN PENNINGTON: OKAY. FINE. LET'S MOVE

7 ON TO ITEM NO. 34, CONSIDERATION OF AWARDING A CONTRACT

8 IN THE AMOUNT OF \$120,000 TO U.S. EPA FOR THE PURPOSE

9 OF CONDUCTING FOUR INVESTMENT FORUMS TO ASSIST

10 RECYCLING-BASED MANUFACTURING BUSINESSES WITHIN THE

11 RECYCLING MARKET DEVELOPMENT ZONES. CAREN TRGOVCICH.

12 MS. TRGOVCICH: GOOD AFTERNOON AGAIN.

• 13 BOARD MEMBER CHESBRO: MR. CHAIRMAN, BEFORE

14 CAREN MAKES HER PRESENTATION, I HAVE, BY VIRTUE OF

15 SERVING ON THE BOARD OF DIRECTORS OF A NONPROFIT

16 ORGANIZATION, I HAVE THE APPEARANCE OF A POSSIBLE

17 CONFLICT OF INTEREST, ALTHOUGH THERE IS NO CONFLICT

18 BECAUSE I HAVE NO FINANCIAL INTEREST IN IT, BUT BECAUSE

19 THEY APPARENTLY MAY BE A SUBCONTRACTOR TO THIS

20 CONTRACT, I'M GOING TO ABSTAIN ON THIS VOTE.

21 CHAIRMAN PENNINGTON: OKAY. THANK YOU.

22 MS. TRGOVCICH: GOOD AFTERNOON, MR. CHAIRMAN

23 AND MEMBERS. VERY BRIEFLY LET ME DESCRIBE THIS ITEM

24 FOR YOU. THE BOARD IS BEING REQUESTED IN THIS ITEM TO

25 AWARD, AS THE CHAIRMAN SAID, \$120,000 TO U.S. EPA IN



1 ORDER TO CONDUCT THE INVESTMENT FORUMS. THIS ITEM IS
2 BACK BEFORE YOU AFTER IT WAS ORIGINALLY HEARD IN
3 SEPTEMBER OF '97 FOR TECHNICAL REASONS. THE TITLE IN
4 THAT ORIGINAL ITEM WAS FOR THE CONTRACT CONCEPT, EVEN
5 THOUGH THE CONTRACT CONCEPT WAS TO PROVIDE THE FUNDS TO
6 U.S. EPA, AND AT THAT TIME IT WAS DISCUSSED HOW THE
7 FORUMS WOULD BE CONDUCTED, THE TITLE DID NOT HAVE THE
8 WORD "AWARD."

9 WE HAVE FINALIZED THE AGREEMENT BETWEEN
10 US AND U.S. EPA, AND WHAT WE AWAIT IS APPROVAL OF THIS
11 ITEM SO THAT WE CAN MOVE THE AGREEMENT FORWARD TO DGS,
12 HAVING RECEIVED THE BOARD'S APPROVAL TO AWARD THE
13 MONIES. SO ONCE AGAIN, THIS IS A TECHNICAL FIX IN
14 TERMS OF THIS ITEM.

15 CHAIRMAN PENNINGTON: OKAY. ANY QUESTIONS
16 FROM STAFF? WE DO HAVE ANETTE KAISER-ROTT FROM
17 MODESTO.

18 MS. KAISER-ROTT: GOOD AFTERNOON. MR.
19 CHAIRMAN, MEMBERS OF THE BOARD, BOARD STAFF. MY NAME
20 IS ANETTE KAISER-ROTT, AND YOU WERE VERY CLOSE WITH
21 YOUR PRONUNCIATION. PRETTY GOOD. IT'S A GERMAN NAME.
22 IT'S A LITTLE BIT HARD. AND I AM THE CONVENTION
23 MARKETING MANAGER FOR THE MODESTO CONVENTION AND
24 VISITORS BUREAU AND MODESTO CHAMBER OF COMMERCE.
25 NOW, WE'RE A NONPROFIT ORGANIZATION, AND



1 OUR PURPOSE IS AND MY JOB IS TO MARKET MODESTO AS A
2 SITE FOR MEETINGS AND CONVENTIONS. NOW, WHY AM I
3 HERE? RON DELONG IS THE ZONE ADMINISTRATOR FOR THE
4 STANISLAUS COUNTY RMDZ. GOT A CRASH COURSE YESTERDAY.
B AND HE ASKED ME -- HE IS SORRY THAT HE CANNOT BE HERE
6 TODAY, BUT HE ASKED ME TO ASK THE BOARD TO CONSIDER
7 MODESTO AS A POSSIBLE FUTURE SITE FOR THE NORTHERN
8 CALIFORNIA INVESTMENT FORUM.
9 NOW, YOU MIGHT THINK THAT WE'RE JUMPING
10 AHEAD A LITTLE BIT, AND, YES, WE ARE. WE MIGHT BE A
11 LITTLE BIT FAST, BUT I WANTED TO TAKE THIS OPPORTUNITY
12 TO PLANT THE SEED OR THE IDEA RIGHT NOW THAT MODESTO
13 WOULD BE EXCITED TO BE THE HOST FOR THE FUTURE NORTHERN
14 CALIFORNIA INVESTMENT FORUM.
15 NOW, WHY MODESTO? AND I'M REFERRING BACK
16 TO THE ORIGINAL ITEM OF THE SEPTEMBER BOARD MEETING,
17 THE CONTRACT CONCEPTS FOR MARKETING THE RECYCLING
18 MARKET DEVELOPMENT ZONES. AND IT READS RIGHT HERE THAT
19 THE LOCATIONS WILL BE BASED ON WHETHER RECYCLING-BASED
20 MANUFACTURING BUSINESS CLUSTERS IN RELATION TO THE
21 FINANCIAL COMMUNITY. NOW, MODESTO MIGHT NOT STRIKE YOU
22 AS SUCH A SITE AT FIRST; BUT IF YOU LOOK AT OUR
23 GEOGRAPHIC LOCATION -- AND I HAVE SOME PACKETS FOR YOU.
24 AND I HAVE TO APOLOGIZE. I ONLY BROUGHT FIVE. MR.
25 AMODIO, I'M SORRY I DIDN'T KNOW THAT YOU ARE THE NEWEST



1 ADDITION TO THE BOARD. WELCOME.

2 BOARD MEMBER AMODIO: THAT'S THE BEST

3 PRONUNCIATION YET. THANK YOU.

4 BOARD MEMBER EATON: IF YOU DRINK ST. STAN'S.

5 MS. KAISER-ROTT: THAT'S RIGHT, GERMAN BEER.

6 ALL YOU HAVE TO DO IS COME. I'LL LET YOU SAMPLE. IS

7 THAT EASY. I CAN WALK NOW.

8 BUT I'D BE HAPPY TO GIVE YOU A PACKET AND

9 50 YOU CAN TAKE A LOOK AT THAT AS WELL. BUT IF YOU

10 TAKE A LOOK AT WHERE MODESTO IS LOCATED, WE ARE

11 BUILDING A TRIANGLE WITH THE AREAS OF SACRAMENTO AND

12 WITH THE ENTIRE BAY AREA ALSO WITH THE FRESNO AREA, SO

13 YOU CAN DRAW -- BY SELECTING MODESTO AS A SITE, YOU CAN

14 DRAW FROM THESE MAJOR AREAS TO GET THE VENTURE CAPITAL

15 AS IN THE BUSINESS SEEKING CAPITAL TOGETHER. SO I

16 THINK I'LL LEAVE IT AT THAT. WE HAVE BEAUTIFUL

17 FACILITIES. WE HAVE A FACILITY -- I'M SORRY. THE

18 DOUBLETREE HOTEL. IT'S A FOUR DIAMOND, BEAUTIFUL

19 PROPERTY ADJOINING OUR CONVENTION CENTER. IT WAS BUILT

20 IN 1990, BEAUTIFUL FACILITY. YOU GET CHOCOLATE CHIP

21 COOKIES WHEN YOU CHECK IN.

22 BOARD MEMBER JONES: THAT'S THE THEME HERE

23 TODAY.

24 CHAIRMAN PENNINGTON: WHAT I NEED IS ANOTHER

25 CHOCOLATE CHIP COOKIE.



1 MS. KAISER-ROTT: SO I THINK THAT WE HAVE
2 ADEQUATE FACILITIES FOR YOU. AND IF YOU HAVE ANY
3 QUESTIONS FOR ME RIGHT NOW, I'D BE HAPPY TO ANSWER
4 THEM.

5 CHAIRMAN PENNINGTON: ANY QUESTIONS? THANK
6 YOU. I CERTAINLY DON'T NEED TO BE SOLD ON STANISLAUS
7 COUNTY SINCE MY MOTHER WAS BORN THERE AND MY MIDDLE
8 NAME IS GIER, AND SO I'M VERY FAMILIAR WITH STANISLAUS
9 COUNTY.

10 MS. KAISER-ROTT: GOOD. GOOD. WELL, THAT
11 MAKES IT EVEN EASIER. ALL I HAVE TO DO NOW IS SEND YOU
12 A CONTRACT AND YOU SIGN THE DOTTED LINES.

13 CHAIRMAN PENNINGTON: FORTUNATELY I DON'T SIGN
14 THE CONTRACT.

15 MS. TRGOVCICH: MR. CHAIRMAN, MAYBE FOR MS.
16 ROTT, JUST TO KIND OF LET HER KNOW WHAT OUR PROCESS IS,
17 WE WILL CERTAINLY TAKE YOUR INFORMATION FORWARD AND
18 WORK ON IT WITH U.S. EPA AND THEIR SELECTED CONTRACTOR.
19 THIS IS A PARTNERSHIP, SO WE'LL NEED TO WORK WITH U.S.
20 EPA FOR THEIR LOCATIONS. WE'RE LOOKING AT TWO IN THE
21 STATE, AND WHAT'S REALLY GOING TO DRIVE OUR DECISION
22 WILL BE, ONE, NOT JUST THE LOCATION OF EXISTING
23 BUSINESSES, BUT POTENTIAL BUSINESSES, AS WELL POTENTIAL
24 INVESTORS. AND SO I KNOW THAT THE TASK THAT THE
25 CONTRACTORS WILL BE UNDERTAKING IS THAT KIND OF AN



1 EVALUATION, AND WE WILL CERTAINLY TELL THEM ABOUT
2 MODESTO AND THE DOUBLETREE.

3 MS. KAISER-ROTT: THANK YOU.

4 CHAIRMAN PENNINGTON: THANK YOU FOR COMING.
5 THAT CONCLUDES OUR AGENDA. AND NOW WE HAVE OPEN
6 DISCUSSION, AND WE HAVE ONE GENTLEMAN, MR. JAKE
7 WILLIAMS, WHO WISHES TO ADDRESS US.

8 BOARD MEMBER JONES: WE NEED A RESOLUTION,
9 RIGHT?

10 CHAIRMAN PENNINGTON: I'M SORRY. I GOT SO
11 EXCITED ABOUT MODESTO.

12 MS. TRGOVCICH: I GOT SO CAUGHT UP IN THE
13 CHOCOLATE CHIP COOKIES.

14 BOARD MEMBER JONES: MR. CHAIRMAN, I'D LIKE TO
15 MOVE RESOLUTION NO. 98-84, CONSIDERATION OF AWARD OF A
16 CONTRACT IN THE AMOUNT OF \$120,000 TO THE U.S. EPA FOR
17 THE PURPOSES OF CONDUCTING FOUR INVESTMENT FORUMS TO
18 ASSIST RECYCLING-BASED MANUFACTURING BUSINESSES WITHIN
19 THE RECYCLING MARKET DEVELOPMENT ZONES.

20 BOARD MEMBER FRAZEE: AND I WILL SECOND.

21 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN MOVED,
22 ADOPTION OF RESOLUTION 98-84 BY MR. JONES AND SECONDED
23 BY MR. FRAZEE. IF THERE'S NO FURTHER DISCUSSION, WILL
24 THE SECRETARY CALL THE ROLL.

25 THE SECRETARY: BOARD MEMBER AMODIO.



1 BOARD MEMBER AMODIO: ABSTAIN.
2 THE SECRETARY: CHESBRO.
3 BOARD MEMBER CHESBRO: (ABSENT).
4 THE SECRETARY: EATON.
5 BOARD MEMBER EATON: AYE.
6 THE SECRETARY: FRAZEE.
7 BOARD MEMBER FRAZEE: AYE.
8 THE SECRETARY: JONES.
9 BOARD MEMBER JONES: AYE.
10 THE SECRETARY: CHAIRMAN PENNINGTON.
11 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.
12 NOW WE'LL GO TO OPEN DISCUSSION AND MR.
13 JAKE WILLIAMS.
14 MR. WILLIAMS: MR. CHAIRMAN, BOARD STAFF,
15 BOARD MEMBERS, THANK YOU FOR THE OPPORTUNITY TO SPEAK
16 HERE. JUST KIND OF WANT TO INTRODUCE MYSELF. PROBABLY
17 SOME OF YOU ARE FAMILIAR WITH MY NAME AND NEVER HAD AN
18 OCCASION TO PUT A FACE TO THE NAME.
19 CHAIRMAN PENNINGTON: PULL THAT MIKE DOWN JUST
20 A LITTLE BIT.
21 MR. WILLIAMS: IT WAS STRICTLY A COINCIDENCE,
22 BUT TO GIVE YOU A LITTLE BIT OF MY BACKGROUND, SOME OF
23 THE PHOTOS THAT THE FELLA JUST PRESENTED, THE
24 MANCHESTER AND THE MISSION IN ONTARIO, WERE TWO SITES
25 THAT I HAD CLEANED UP THAT HE SHOWED PICTURES OF.



1 THOSE WERE BOTH DONE, BY THE WAY, WITH PRIVATE MONEY,
2 NONE OF THE BOARD MONEY. THEY WERE SUPERVISED BY YOUR
3 STAFF.
4 PRIOR TO THAT, I'VE ALSO BEEN SHREDDING
5 TIRES FOR THE L.A. COUNTY SANITATION DISTRICT FOR TWO
6 AND A HALF YEARS. I'M NO LONGER DOING THAT. I LOST
7 THE LAST BID.
8 PRIMARILY, PRESENTLY WE ARE DOING
9 SUBSTANTIAL CLEANUP AT THE BRACKETT TIRE SITE. WE
10 STARTED THAT IN JANUARY. IT IS PRESENTLY PRETTY MUCH
11 ON SCHEDULE. WE HAVE SO FAR REMOVED 4200 TONS OF AN
12 ESTIMATED APPROXIMATELY 10,000 TONS. PROBABLY CLOSE TO
13 THE END OF NEXT WEEK, WE SHOULD BE AT THE HALFWAY POINT
14 OR KNOWING THAT WE DO HAVE 5,000 TONS, AND IT LOOKS AT
15 THIS POINT LIKE ALL THE ESTIMATES WERE VERY ACCURATE,
16 WHICH IS UNUSUAL. I'VE NEVER BEEN ABLE TO ESTIMATE A
17 TIRE PILE. ONCE YOU GET INTO IT, THIS IS QUITE
18 ACCURATE BY YOUR PEOPLE, AND IT'S BECOMING PRETTY
19 EVIDENT THAT IT WILL BE COMPLETE AT THE END OF 10,000
20 TONS.
21 IF WE DON'T HAVE ANY PROBLEMS, IT LOOKS
22 LIKE I SHOULD BE ABLE TO FINISH THE JOB BY THE END OF
23 JUNE. THAT WOULD BE SIX MONTHS TOTAL AT THE TIME IF WE
24 RUN INTO ANY PROBLEMS. WE STARTED OUT WITH A LOT OF
25 PROBLEMS WITH THE WEATHER PRIMARILY. IT WAS A DIRTY



1 JOB TO GET GOING, BUT WE FINALLY GOT IT ORGANIZED, AND
2 EVERYTHING IS RUNNING SMOOTHLY PRESENTLY. AND I HOPE
3 WE DON'T HAVE ANY MORE PROBLEMS. AND I JUST WANTED TO
4 KIND OF BRING YOU UP TO DATE ON THAT. I DON'T KNOW IF
5 YOU EVER TALK TO ANYBODY THAT ACTUALLY EVER DONE THE
6 JOB OR NOT, BUT I'M THE ONE THAT'S OUT THERE IN THE MUD
7 PICKING UP TIRES AND SORTING OUT THE SCRAP AND THE DIRT
8 AND GETTING THE JOB DONE. JUST ASK FOR YOUR SUPPORT TO
9 KEEP THESE THINGS GOING. SOMETIMES WHEN YOU GET A
10 PROJECT THIS SIZE, YOU RUN INTO PROBLEMS. I DON'T
11 REALLY ANTICIPATE ANY SERIOUS PROBLEMS BEFORE THE END
12 OF THIS PROJECT, BUT IF I'M ALLOWED TO COMPLETE THIS
13 ONE, I'LL GO CLEAN UP OXFORD FOR YOU. THANK YOU.

14 CHAIRMAN PENNINGTON: VERY GOOD. THANK YOU,
15 MR. WILLIAMS.

16 BOARD MEMBER CHESBRO: MR. CHAIRMAN.

17 CHAIRMAN PENNINGTON: YES, MR. CHESBRO.

18 BOARD MEMBER CHESBRO: I'M NOT SURE WHAT THE
19 PROPER TECHNICALITIES ARE, BUT I DID LEAVE THE PODIUM
20 AND DIDN'T ACTUALLY VOTE, SO I THINK EITHER RECUSE OR
21 NOT VOTING SHOULD BE HOW I'M LISTED ON THE --

22 MS. TOBIAS: OR ABSENT IS ANOTHER CHOICE.

23 BOARD MEMBER CHESBRO: WHATEVER, JUST TO
24 INDICATE THAT I WASN'T ACTUALLY HERE DURING THE
25 DISCUSSION.



1 CHAIRMAN PENNINGTON: SURE. WE'LL LET THE
2 RECORD SHOW THAT.
3 OKAY. THAT COMPLETES OUR AGENDA FOR
4 TODAY. WE WILL RECESS UNTIL 9:30 TOMORROW MORNING WHEN
5 WE'LL TAKE UP ITEM NO. 35, WHICH IS A PRESENTATION ON
6 THE PERFORMANCE PLANS DEVELOPED BY THE PRIORITY AREA
7 TEAMS FOR THE CONSTRUCTION AND DEMOLITION AND LOCAL
8 GOVERNMENT DIVERSION ASSISTANCE GOALS.

9
10 (THE BOARD MEETING WAS THEN RECESSED AT
11 3:55 P.M. UNTIL, 9:30 A.M., THURSDAY, MARCH 26, 1998.)

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Reporter's Certificate

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I, Beth C. Drain hereby certify:

that on the 25th day of
March, 1998, I did report in
shorthand the testimony of the foregoing
proceedings;

that on the conclusion of the above entitled
matter, I did transcribe my shorthand notes into
typewriting;

that the foregoing transcript is a true and correct
record of my shorthand notes thereof.

Beth C. Drain
Certified Shorthand Reporter
Certificate No. 7152

